Austria ... Sch. 18	Indonesia .. Rp 2500	Portugal ... Esc 80
Bahrain .. Din 0.650	Italy ...... L 1300	S. Arabia .. Rls 6.00
Belgium ... BFr.38	Japan Y650	Singapore . S$ 4.10
Canada ... C$2.00	Jordan ... Fils 500	Spain .... Pta 110
Cyprus ... C£0.80	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark .. DKr 7.25	Lebanon .. £L 6.00	Sweden . SKr 6.50
Egypt .... E£1.00	Luxembourg . LFr.38	Switzerland SFr 2.20
Finland .. Fmk 6.00	Malaysia .. Rin 4.25	Taiwan ... NT $85
France .. FFr 8.00	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 210
Greece ..... Dr 70	Netherlands . Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong . HK$12	Norway .. Nkr. 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,532 — Thursday January 24 1985 — D 8523 B

Creeping crisis for U.S. deficit ditherers, Page 4

World news

France extends Caledonia emergency

The French Government was last night pushing special legislation through the National Assembly to extend the state of emergency in New Caledonia as output of nickel, the main export, in the territory was substantially reduced by sabotage of key mining equipment.

Heavy lorries used to move mineral ore, bulldozers and earth moving equipment were put out of action by unknown raiders at the Kouaoua mine, the largest on the islands.

The state of emergency is to be extended until June 30, just before the referendum on the island's future. Page 2

UN famine airlift

The United Nations began an emergency airlift to prevent a famine disaster in eastern Sudan, where 200,000 Ethiopians have arrived in search of food.

Euro MPs win

European Parliament won a crucial round in its battle to prove that the 10 member-states of the EEC have contravened the Treaty of Rome by failing to agree a common transport policy. Page 24

Springer 'kidnapped'

Swiss police fear that Sven Axel Springer, grandson of millionaire German publisher Axel Springer, may have been kidnapped. He is missing from his school near Schur.

Lords on TV

Britain began televising the House of Lords for a six-month trial period. Page 6

Chernenko illness

Soviet President Konstantin Chernenko has been prevented by illness from fulfilling public functions but his condition is not grave, Soviet officials told foreign diplomats.

General charged

The Philippine military's chief general, Fabian Ver, two other generals and 23 men were charged in connection with the murder of opposition leader Benigno Aquino. Page 3

Servicemen killed

Twenty-one American servicemen are feared to have died when a U.S. military transport aircraft crashed into the sea near the port of Trujillo, Honduras.

Talks 'near collapse'

Salvadorean left-wing guerrilla leaders said in Mexico City that talks aimed at ending five years of civil war were on the brink of collapse. Page 4

Zimbabwe elections

Zimbabwe Premier Robert Mugabe said the first post-independence elections, originally planned for this month, would be held in March.

Pakistan election

Pakistan's military Government will go ahead with a general election next month, despite a boycott call by the main opposition alliance.

S. Africa forum

The South African Cabinet is to consider the establishment of a new negotiating forum to give blacks a greater say in political reform. Page 3

Dominica retrial

The British Privy Council (private counsellors to the Queen) ordered the retrial of former Dominica Prime Minister Patrick John on charges of plotting to overthrow the Caribbean island's elected government in 1981.

Business summary

Racal warns on full-year profits

RACAL, British electronics group, said pre-tax profits fell by £1.55m to £47.18m ($52.37m) in the six months to October 12. Chairman Sir Ernest Harrison said full-year profits would be substantially below group's expectations because of a "major hiccup" at its U.S.-based Racal-Vadic company. Page 29; Lex, Page 24; Shares fall sharply, Page 41.

DOLLAR gained ground in London, rising to DM 3.1795 (DM 3.1695), FFr 9.7225 (FFr 9.695), SwFr 2.6815 (SwFr 2.67) and Y254.35 (Y253.95). On Bank of England figures, the dollar's index rose to 146.5 from 146.1. Page 47

STERLING fell to a record closing low against the dollar of $1.1105, a decline of 1.4 cents. The pound also weakened to DM 3.535 (DM 3.5625), SwFr 2.98 (SwFr 3.0), FFr 10.8 (FFr 10.9025) and Y282.75 (Y285.5). The pound's exchange index fell 0.6 to a record low of 70.7. Page 47

WALL STREET: By 3pm, the Dow Jones industrial average was up 6.62 at 1,266.12. Section III

LONDON equities came under pressure amid a revival of oil price worries, and the FT Ordinary index shed 20.8 to 1,003.7. Conventional gilt prices also eased. Section III

TOKYO stocks eased in lethargic trading, and the Nikkei-Dow market average dipped 9.11 to 11,859.01. Section III

AMSTERDAM shares posted their 11th record high close of the year. The ANP-CBS General index gained 0.7 to 198.0. Section III

GOLD fell $4.75 on the London bullion market to $301.00. It also fell in Zurich to $300.50. In New York the Comex February settlement was $301.70. Page 46

EEC unemployment rose to a new peak last month of 13m – up 146,000. Page 2

COCA-COLA, the world's biggest-selling soft drink, is to go on sale in the Soviet Union, which until now has been the sole preserve of its arch rival, Pepsi-Cola. Page 4

AMOCO, the U.S. oil company, led the field of the North Sea's big spenders, with bids totalling over £31m ($34.4m) for three North Sea blocks auctioned in the ninth round of oil and gas licences by the British Government. Page 6

INGERSOLL-RAND, U.S. industrial, mining and construction machinery manufacturer recovered from a loss of $112.2m to a profit of $58.9m last year. Page 25

BAXTER TRAVENOL, U.S. health care products group, suffered a $93.5m loss in the fourth quarter as a result of a $116m after-tax charge. Page 25

UNITED TECHNOLOGIES, U.S. defence, aero-engine and electronics group, stepped up its annual profits by 27 per cent to a record $645m. Page 25

SWISS private investor group may buy an initial stake in Asuag-SSIH, the watch manufacturer, which could lead to it taking control of the group from the Swiss banks. Page 26

MASSEY-FERGUSON of Canada has quit the Mexican agricultural equipment market with the sale of its licensee, Agromak, to Ford's Mexican joint venture, Fabrica de Tractores. Page 25

DUNLOP, troubled UK rubber group, may not be able to count on U.S. shareholders in the fight to head off BTR's takeover bid because its refinancing package excludes them from a rights issue. Page 29

We apologise for any typographical errors in today's edition arising from industrial action by members of the National Graphical Association in the proofreading room in London.

Sterling at record low despite threat of intervention

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE POUND fell by 1.4 Cents in London yesterday to a record low closing price of $1.1105 despite the threat of concerted intervention by central banks which now hangs over the foreign exchange markets.

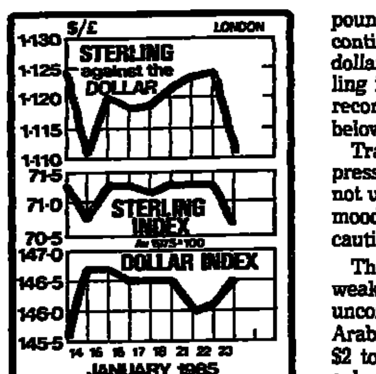
The pound's weakness reflected the continued strength of the dollar in the wake of buoyant economic statistics and market rumours about a cut in Saudi Arabian oil prices.

The widespread selling of dollars by central banks on Tuesday appears, however, to have had a subduing effect on the markets yesterday. Uncertainty about the attitude of the U.S. Federal Reserve to the central bank cartel – agreed in Washington last week – underpinned the mood of caution.

One London dealer remarked yesterday: "The market is scared stiff about what the central banks might do next."

Officials in London strongly suggested that the Fed had sold dollars in New York last Friday and on Tuesday night as part of the joint agreement to restrain speculative rises of the dollar against European currencies.

However, Mr James Baker, U.S. Treasury Secretary-designate, told the Senate Finance Committee yesterday that the U.S. had not yet



joined the concerted official effort to sell dollars, "as far as he knew."

He said the Administration still had serious doubts about the effectiveness of intervention in the currency markets but he confirmed that the U.S. had agreed with the four other largest democracies to take part in concerted intervention when all agreed it would be helpful.

Officials in London were anxious to emphanise the U.S. agreement they suggested that intervention on Tuesday might not have been sufficiently large to be broght to Mr Baker's notice.

Yesterday, the central banks stood aloof from the markets as the pound fell against currencies in continental Europe as well as the dollar. The Bank of England Sterling index finished in London at a record low of 70.7; almost 1 per cent below its London close on Tuesday.

Traders said that although selling pressure was steady, volume was not unusually high and the general mood of the market was calm and cautions.

The main impetus for sterling's weakness appears to have been an unconfirmed report that Saudi Arabia was set to cut oil prices by $2 to $3 per cent barrel. This was subsequently denied by Saudi officials and appears not to have been taken seriously by the European authorities.

On Mondey, Mr Nigel Lawson, Britain's Chancellor of the Exchequer, is due to appear before the U.S. Treasury and Civil Service Committee to describe his policy towards the exchange rate.

He ist likely to confirm his view, shared by the U.S. Administration, that central bank intervention

Continued on Page 24

Lex: Transatlantic air fares set to rise, Page 24; Money markets, Page 47; Stock markets, Section III

Pan Am places $269m engine orders

By Michael Donne in London

PAN American World Airways has placed a $125m contract for the new international V-2500 aero-engine to power the first 16 European Airbus A-320 150-seater airliners it ordered last September for service in the late 1980s.

The deal – the first firm contract announced for the International Aero Engines V-2500 – is part of a complex aero-engine package announced yesterday by the U.S. airline in New York and London.

The package included a $144m contract for the new Pratt & Whitney PW-4000 engine for the 12 bigger 220-seat Airbus A-310 airliners Pan Am is also buying.

The total deal, of about $269m excluding spares, will eventually be worth much more.

Pan Am has an option on another 34 A-320s, that will, if taken up, also use the V-2500 engine, and involve outlays of another $265m.

Pan Am also has an option on another 13 A-310s, which will involve further orders for the PW-4000 engine, worth at least another $156m.

In all, Pan Am has either placed, or is likely to place, firm aero-engine orders, worth nearly $700m, covering its Airbus purchases. If spares are included, the value of engine orders could rise to $1bn.

This will represent about half the estimated total of $2bn that Pan Am is spending on its Airbus fleet, for delivery from the late 1980s through the 1990s.

The Pan Am deals effectively launch the V-2500 and the PW-4000 onto world airline markets.

The V-2500 is being built by International Aero Engines (IAE) a consortium, in which Rolls-Royce and Pratt & Whitney each have a 30 per cent stake. The Japanese Aero-Engine Corporation has a 23 per cent stake, MTU of West Germany 11 per cent, and Fiat Aviazione of Italy 6 per cent.

This engine, of about 25,000lb thrust, has been designed for the new generation of 150-seat airliners. Mr Robert E. Rosati, IAE's president and chief executive, said yesterday: "We see a demand over the next 15 years for $25bn to $30bn worth of engines for the A-320, and other new airliners from McDonnell Douglas and Boeing of the U.S.

"We believe that V-2500 orders will grow steadily to meet this need, and that we will capture a very significant part of the market."

IAE won the Pan Am contract after fierce competition from the Franco-US (Snecma-General Electric) CFM-56-5 engine.

Increase for United Technologies, Page 25

Nordic states plan new links and investment

BY KEVIN DONE IN GOTHENBURG

FINANCE MINISTERS from the five Nordic countries yesterday reached agreement on a far-reaching economic co-operation package, including investments totalling around NKr 2.5bn ($273m) in new road and rail construction projects.

They plan to finance the road and rail schemes with a new NKr 4.5bn loan facility at the Nordic Investment Bank (NIB) to avoid immediate pressure on stretched national budgets.

The NIB will increase its borrowing in both domestic and international capital markets, and the bank's equity base is to be increased by NKr 200m through injections of new capital and guarantees from the five Nordic states, Sweden, Denmark, Finland, Norway and Iceland.

The investments in improved road and rail links chiefly involves the speeding up of projects planned for the late 1980s and early 1990s and will be spread over the five years 1986-90.

Expenditure will be concentrated on improving road links from the west of Sweden to Norway, as well as across Denmark to continental Europe and from Helsinki to Turku to link with the ferries to Sweden.

In the west of Sweden, the road-building programme is being co-ordinated with measures announced yesterday to create new jobs in the Uddevalla region, where a major source of employment, the Uddevalla shipyard, is to be closed, with the loss of around 2,500 jobs.

Volvo, the Swedish automobile group, said yesterday that it is planning to build a SKr 2bn car assembly plant in Uddevalla, providing around 1,000 new jobs. A final decision is expected during the spring.

The Nordic action programme, announced after yesterday's meeting of finance ministers in Helsinki, comes in response to demands from the Nordic Council – a body made up of members of national parliaments – for co-ordinated action to stimulate economic growth and cut unemployment.

The number out of work was running close to 1m in the Nordic region during the last few years.

Unemployment is still close to 10 per cent in Denmark, although rates have been reduced in Sweden and Norway, partly through increased spending on job-creation measures.

The package is also a response to growing political pressures on national governments in Scandinavia to increase Nordic co-operation efforts.

The cause of greater Nordic integration is enjoying something of a renaissance following several years in which it aroused little enthu-

Continued on Page 24

Volvo to invest SKr 2bn in new assembly plant

BY OUR NORDIC CORRESPONDENT IN GOTHENBURG

VOLVO, the Swedish motor vehicle group, is planning to invest up to SKr 2bn ($221m) in a new car assembly plant as part of a SKr 15bn to SKr 20bn capital expenditure programme in new plant and equipment over the next five years.

It is also planning product development spending that could total SKr 15bn over the same period from 1985 to 1989.

The decision to build a new car plant comes at a time when there is around 18 per cent overcapacity in the European car industry. Most of Europe's volume car producers are running up heavy losses, but specialist car producers, such as Volvo, Saab, Daimler-Benz, and BMW, are still enjoying strong demand for their products, and the two Swedish groups are achieving record profits.

Volvo's 1984 earnings, also announced yesterday, jumped by 102 per cent before tax and allocations to reserves to a record SKr 7.6bn, against SKr 3.78bn in 1983.

Despite the big jump, Volvo's results were lower than forecast and disappointed market expectations. This was chiefly because of a poor fourth quarter, which was burdened by exchange losses of SKr 286m and write-offs of SKr 270m on shares held in Scandinavian Trading Company, Volvo's oil trading subsidiary.

Profits before tax and allocations in the final quarter of 1984 totalled SKr 643m, compared with SKr 569m in the corresponding period of 1983.

In addition, the preliminary result for the whole of 1984 was inflated by extraordinary profits of SKr 1.38bn derived from major share disposals in the first half of the year.

Operating income for 1984 rose by 47.7 per cent to SKr 6.6bn from SKr 4.5bn a year earlier.

Volvo group turnover fell by 12.3 per cent to SKr 87.2bn from SKr 99.5bn in 1983, chiefly as a result of a big drop in oil trading operations, which ran up a huge loss in 1983, as well as the exclusion of the Sonessons engineering group from Volvo's consolidated figures.

Excluding energy operations and Sonessons, Volvo sales rose by 22

Continued on Page 24

Joint venture with Clark, Page 25; Novel loan facility, Page 48

Apple plans assault on business market

BY LOUISE KEHOE IN CUPERTINO, CALIFORNIA

APPLE COMPUTER, the U.S. personal computer pioneer, yesterday announced plans for an assault on the office automation market at its annual shareholders' meeting. The move will bring Apple into head-on competition with IBM, which dominates the business market for personal computers.

With sales of its Macintosh computer flattening, and increased competition in the home and educational markets where it is strongest, Apple aims now to increase its sales to businesses.

"Apple is not a known player in the office market yet," said Mr John Sculley, Apple's president. He believes that Apple has two years in which to establish itself as a major participant in the business market. "Our goal is to become the alternative to IBM," he added. Apple will concentrate sales efforts for its new office products on small and medium-size businesses, although the company wants to make some "showcase" sales to big companies first.

In its efforts to increase its penetration of the office market. Apple will form "strategic alliances" with one or two major companies, Mr Sculley said. He declined to name Apple's future partners, but expects to make an announcement later in the year.

Apple also revealed plans for "Gateway" products that will allow its personal computers to communicate with IBM mainframe and personal computers.

To boost sales of its Macintosh and Lisa computers. Apple announced drastic price reductions. The 512K upgraded version of Mac-

Continued on Page 24

Fiat cautious on prospects after 23% profits increase

BY JAMES BUXTON IN ROME

FIAT, Italy's large private sector industrial group, last year produced a 23 per cent increase in group operating profit. But total sales rose by only 6 per cent, and Sig Gianni Agnelli, the company's chairman, yesterday gave shareholders a distinctly cautious view of the company's prospects for 1985.

The group, just over half of whose sales are accounted for by Fiat Auto, the car subsidiary, had consolidated sales of L23,206bn ($11.9bn) in 1984, compared with L21,985bn in 1983. Consolidated operating profits at group level were about L1,600bn, equal to almost 7 per cent of turnover, compared with L1,302bn in 1983.

This is a measure of the company's performance before taking into account interest charges and taxes. In 1983 the group consolidated net profit, which Fiat usually announces later in the year, came to L253.4bn.

Fiat's net indebtedness fell 19 per cent to L4,400bn at the end of 1984. The reduction of L1,000bn is largely due to the successful capital increase the company carried out on the Milan Stock Exchange last year.

Investment and research and development spending was slightly up at L2,158bn, compared with L2,009bn in 1983. Most of this was covered by self-financing, which amounted to about L1,800bn.

Sig Agnelli blamed the small growth in sales on "unexciting" market conditions and on a policy of holding down prices in several sectors. But he said that the parent company would produce better results than 1983's net profit of L214bn.

The chairman warned shareholders in a letter that the reduction in Italy's inflation rate over the past two to three years might not continue in 1985, mainly because of increases in the cost of labour. He believed, however, that the reforms Fiat had made in the past few years had made it better able to ride out such problems.

Fiat Auto, the Turin-based company's largest subsidiary, produced sales of L12,500m in 1984, a 5 per cent increase over 1983. Vehicle production was up 3.8 per cent at 1.27m. The company claims to have increased its share of the European market to 13.3 per cent from 12.8 per cent in 1983.

Its share of the Italian market went down by 1.1 per cent last year but still amounted to 54.3 per cent, by far the largest share of a domestic market held by a European manufacturer.

Fiat's industrial vehicles division, centred on Iveco, saw a marginal increase in turnover from L4,517bn to L4,570bn. Fiat says the division suffered heavily from price discounting on the Italian market where Iveco retained a 60 per cent share of a declining market.

The agricultural tractors division, centred on Fiat Trattori, had sales of L1,943bn, up 12 per cent on 1983. The company increased its share of the European market from 15 to 16 per cent, and succeeded in pushing up sales in Italy where it won 43 per cent of the market.

CONTENTS

EUROPEAN NEWS

France extends emergency in New Caledonia

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government was last night pushing special legislation through the National Assembly to extend the state of emergency in New Caledonia as nickel output on the territory was substantially cut by sabotage to key mining equipment.

Heavy lorries used to move mineral ore, bulldozers and earth moving equipment were put out of action by unknown raiders a the Kouaoua mine, the largest on the islands. The incident followed the setting fire to equipment at Thio, the territory's other major mine, last week.

Nickel accounts for a third of the territory's gross national product and 90 per cent of its export earnings.

Separatist leaders denied responsibility for the damage while M Jacques Lafleur, a spokesman for the French settlers called it an "economic catastrophe."

In a broadcast to the territory, M Edgard Pisani, the High Commissioner to New Caledonia warned that the state of emergency would need to be extended for a long period to "remove the mounting spiral of violence." But he claimed that a plan to get the nickel mines back into production was in hand.

The legislation announced after yesterday's cabinet meeting provides for the state of emergency to be extended until June 30—or just before the referendum on the island's future.

Though the Socialists have an obsolute majority in the National Assembly, the Senate, where the opposition is in a majority was threatening last night to press for substantial amendments. It wanted the state of emergency limited to an additional month and for the Government's powers over expulsions and Press freedoms to be curbed.

Emphasising the Government's isolation, the Communists yesterday voted against a measure. A front page editorial in the Communist daily, L'Humanite, said that the legislation marked a return to arbitrary rule and "to a colonialism that it is time to renounce once and for all."

The opening of the debate in the Assembly came shortly after the arrival in Paris of M Jean-Marie Tjibaou, leader of the FLNKS separatist movement. Opposition leaders including M Jacques Chirac, the Mayor of Paris, and M Raymond Barre, the former Prime Minister, declined to see him.

Reflecting the hardening of views among the Melanesian separatists, M Tjibaou said that even if they were defeated in the referendum they would continue the struggle for independence.

Our Commodities Staff adds: New Caledonia is still an important supplier of nickel, though its share of the world market has declined sharply in recent years. In 1979, it accounted for 17 per cent of world supplies, but in the first half of last year the figure was down to 8.6 per cent.

News of the sabotage helped to lift prices for nickel on the London Metal Exchange to new records yesterday but the weakness of sterling remained the main influence on the market.

French current account deficit falls to FFr 600m

BY PAUL BETTS IN PARIS

FRANCE SHARPLY reduced its current account deficit last year to FFr 600m (£55m), according to provisional figures from the Economy Ministry. The deficit was FFr 33.8 in 1983 and FFr 79.3bn the year before.

The substantial improvement reflects the big decline in the trade deficit last year and strong tourist earnings. The trade deficit was reduced to FFr 19.8bn from FFr 43.3bn in 1983 and FFr 93.5bn in 1982. The tourism surplus totalled FFr 27.7bn last year.

● Italy recorded a L282bn (£128m) balance of payments surplus last year, significantly down on the L3,793bn (£1.7bn) the year before, writes Alan Friedman in Milan. A key repayment last month, which resulted in a December balance of payments deficit of L2,741bn.

reason was a large foreign debt

The Bank of Italy's total net reserves, however, showed an increase of L5,270bn last year, to L82,000bn.

The central bank said last night that there had been a net capital inflow to the banking system last year of L4,988bn which was mostly composed of short-term bank-to-bank interbank deposits. Italian banks' total foreign indebtedness at the end of the year was L29,000bn.

Last June, the central bank, concerned at a large rise in overseas borrowing, imposed a ceiling on the total level of debt which Italian banks may have abroad. The measure is expected to remain in place at

Move to boost building and civil engineering

BY OUR PARIS CORRESPONDENT

THE FRENCH Government yesterday announced a modest package of measures designed to stimulate activity in the depressed building and civil engineering sector.

The measures include increased interest subsidies for purchasers of first houses, larger tax deductions on interest payments, more flexibility for landlords to increase rents and a speeding up of government allocations for public works programmes.

The measures are unlikely to provide more than a marginal boost to the economy as a whole because the tax and interest subsidy elements will have the net effect of switching some household spending to the construction industry at the expense of other sectors.

The measures follow strong pressure from the construction industry which has been suffering from a combination of a sharp fall in new housebuilding, a decline in infrastructure spending by the Government, and a fall-off in export orders as a result of reduced building activity in the Middle East.

According to Insee, the official statistics institute, the construction industry alone shed some 73,000 jobs last year after a 60,000 drop in 1983. It suffered a 4 per cent decline in turnover last year to FFr 250bn (£22.9bn).

Bonn gives go-ahead to reprocessing project

By Rupert Cornwell in Bonn

The West German Government yesterday unleashed a new environmental row here by giving the go ahead for plans, costing anything up to DM 10bn (£2.8bn), for the country's own commercial nuclear fuel reprocessing plant.

A final decision for the facility's site — either in Dragahn in Lower Saxony close to the East German frontier or at Wackersdorf in Bavaria — will only be taken on February 4 by DWK, the company set up by electricity utilities to deal with the problem of handling nuclear waste.

But the move has already drawn fierce opposition from the Left and other environmentalist groups. The Social Democrats (SPD) branded the decision yesterday as "irresponsible," while the radical Greens, much of whose popularity derives from their championing of environmental causes, were in uproar last night after their request for an emergency Bundestag debate today was turned down last night.

However, the cabinet, and in particular Herr Heinz Riesenhuber, the Technology Minister, are determined to override this criticism, in their conviction that West Germany must keep up with technology in the nuclear waste disposal field.

Britain and France already have their own reprocessing facilities, but Bonn's plans hitherto have been confused, despite the fact that nuclear power stations which produce the spent fuel, now account for almost 18 per cent of the country's electricity output.

Last February, a bizarre controversy developed after revelation that three West German companies had been negotiating with China for the possible storage of nuclear waste under the Gobi Desert. That has now been laid to rest. But many other experts, meanwhile, have argued that it would be more economical—and no more dangerous—to dispense with reprocessing and dispose of the waste in Germany itself.

Herr Riesenhuber confirmed yesterday that work on such a storage facility, in underground salt deposits at Gorleben in Lower Saxony would continue, despite the reprocessing go-ahead.

In an effort to allay the fears of the environmentalists, Herr Riesenhuber stressed that reprocessing technology was now 20 years old, and of proven reliability.

Peace groups here have long pointed out that the plutonium produced in reprocessing plants could one day be used for making nuclear weapons. But the minister promised that it would in fact be largely recycled as new fuel for power stations—and that in any case enough plutonium for such purposes already existed in the country.

More broadly, the Government argues that nuclear energy is the cheapest fuel option for West Germany, despite the cost of waste disposal. Coal-fired stations have become much more expensive now that they must be fitted with scrubbers to curb sulphur dioxide

● The Cabinet yesterday approved plans for cuts in motor tax for existing cars which are fitted with converters to cut exhaust pollution. While this measure, lowering annual tax to DM 13.20 per 100 cc of engine capacity from the current DM 14.40 could come into effect from July, old cars without the devices will see their tax go up to DM 18.80 per 100 cc of capacity, possibly from January 1986.

Moscow admits to Chernenko's ill health

BY PATRICK COCKBURN IN MOSCOW

SOVIET officials have confirmed that President Konstantin Chernenko was too ill to attend the Warsaw Pact summit cancelled last week in Bulgaria.

Mr Vadim Zagladin, a senior Communist Party official, told M Jean-Michel Baylet, the French Secretary of State for External Relations, that the meeting did not take place because the President was not well enough to travel.

Mr Chernenko, who is aged 73 and suffers from respiratory complaints, has not been seen in public for a month. His absence has fuelled speculation among diplomats in Moscow about thet state of his health. Soviet officials, who dislike discusing the health, or lack of it, of the leadership, ascribed the six-month absence of the late Soviet President, Mr Yuri Andropov, to a cold until he died of kidney failure in February last year.

The next important occasion which President Chernenko is due to attend is a visit by Mr Andreas Papandreou, the Greek Prime Minister, who is to arrive in Moscow on February 11.

The illness of the President is unlikely to have a significant impact on foreign policy which is very much the fief of Mr Andrei Gromyko, the Foreign Minister, who has held his post since 1957.

In a long interview on Soviet television after his return from his talks with Mr George Shultz, his U.S. opposite number in Geneva, Mr Gromyko showed himself very much in command of himself and of the situation.

The Soviet approach to the disarmament talks since the middle of last year is to focus all their attention on "Star Wars." President Ronald Reagan's proposal to research into an effective anti-ballistic missile system. The deployment of cruise and Pershing 2 medium-range missiles in Western Europe, the original cause of the Soviet walkout from Geneva, are now seldom mentioned in the Soviet Press.

Moscow is clearly conscious of West European reservations on research into Star Wars, not to mention its testing and deployment.

Mr Mikhail Gorbachev, the number two to President Chernenko in the ruling Politburo, repeatedly mentioned the threat of Star Wars to the balance-of-power between the U.S. and Soviet Union during his visit to Britain last month.

AP adds: The Communist party daily newspaper, Pravda, claimed yesterday that Nato is divided over U.S.-Soviet arms control talks, with the West Europeans pushing more eagerly than the U.S. for limits on space and nuclear arms.

The recent Geneva agreement to begin talks on limiting space and nuclear weapons met with "great satisfaction and guarded optimism" in West European countries

What it alleged were attempts Nato to discount reported differences between Washington and its European allies "attest to the germination of new acute military-political contradictions in the alliance," it said.

"Indicative in this respect are warnings made specifically within political circles of European Nato member states against the role of passive onlookers, or the role of spectators, during the forthcoming Soviet-U.S. talks."

West Europeans, it said, fear the hopes of limiting space and nuclear weapons and broadening detente will not be realised and thus "a dispute is under way as to whether the Western European states might contribute through their vigorous actions to attaining the goals which have become visible."

Swedish shipbuilding is dwindling away, reports **David Brown**

Lame duck even billions cannot cure

By David Brown in Stockholm

WHEN THE Swedish state-owned shipbuilder Svenska Varv decided to close its Uddevalla yard last December, 2,400 jobs were lost. They were the latest contribution to a decline that has seen employment dwindle from 31,500 jobs a decade ago to about 13,000 today. Industry forecasts suggested that the decline is likely to continue, with a further 3,000 jobs lost in 1985.

The contraction in shipbuilding in Sweden, once the world's second largest merchant shipbuilder after Japan, has followed a fall in its market share from fully 10 per cent to below 2 per cent of new building in 10 years.

In 1977, the Swedish Government took over most of the country's private shipbuilding yards, which were on the verge of bankruptcy. This was due in part to their decision to concentrate on building large bulk and oil transport vessels. A global surplus of such vessels later developed, and world shipbuilding overcapacity is at least 40 per cent.

Between 1977 and 1982, the Government sank some SKr 20bn (£1.95bn) in restructuring subsidies into the new Svenska Varv (Swedyards) group. Total losses during that period were SKr 8.8bn. Two of the large West coast yards, Eriksberg and Oresund, were closed and Kockums and the Karlskrona military shipyard suffered cuts.

But further subsidies are now being denied to the sector. The governing Social Democrats are intent on weeding out industrial lame ducks, and concentrating their industrial strategy on high technology research and development spending.

"There is no future in building simple vessels like tankers and bulk carriers," said Mr Thage Peterson, the Industry Minister. "We cannot afford the huge costs that would be required to keep the Uddevalla yard afloat."

The decision to close the yard, which had been unable to secure a single order last year, leaves Sweden with only one civilian new building operation — Kockums — which has successfully concentrated on advanced container ships, speciality roll on/roll off vessels and cruise liners.

Another successful area of concentration has been the offshore sector — production, diving and accommodation rigs — which now accounts for a third of the group's total SKr 9.4bn turnover.

In 1983, Swedyards moved out of the red for the first time in its history, helped not only by its new-found efficiency but also by Sweden's 16 per cent devaluation of the krona in late 1982 and showed a profit of SKr 312m before extraordinary gains. It had hoped to post a profit "of the same magnitude" in 1984, but was forced in late November to sharply downgrade this forecast.

Especially hard-hit have been the repair and rebuilding operations, where heavy competition has pressed prices down, by as much as 60 per cent from the level a year earlier. Losses at the Cityvarvet yard climbed from SKr 6m to SKr 52m for the first eight months. A further 16 per cent of its workers are to be laid off and this may only be a first step.

The cost of shutting down Uddevalla, which could reach as high as SKr 400m, may be charged against this year's results, the company says. Even the Gotaverken Arendal offshore yard, which generates the bulk of group profits and won a number of significant new orders last year, expects lower earnings. At the end of eight months profits had dropped from SKr 191m to SKr 30m.

Despite tremendous capacity cutbacks, specialisation, and one of Europe's highest rates of efficiency, the future remains uncertain. If Uddevalla cannot survive without Government subsidies, asks Mr Ingvar Trogen, its managing director, is it possible for any continental shipbuilder to do so?

The answer may come from Mr Roine Carlsson, Sweden's Minister in charge of state-run companies. "It would be a mistake," he says, "to suggest that the group is now striding down some broad path to glory."

Commission blocks subsidies in France

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission has frozen the flow of French government subsidies to Normed and Alsthom-Atlantique, in the shipbuilding sector, and to Boussac, the financially beleaguered textiles group.

The French Government has a month to justify the aid, but while the Commission is investigating the cases, no funds can be passed over.

This is the first indication that the new Commission competition authorities are prepared to follow the stringent line on state subsidies pursued by their predecessors until the changeover on January 7. France was continually at odds with the old Commission on state aids offered, for example, to the textile sector and to paper companies like Chapelle-Darblay.

The Commission complaint in the shipbuilding sector covers FFrs 3bn (£275m) to ease the cash problems of Normed and grants of FFr 300m to Alsthom.

Under the special regulations covering shipbuilding in the EEC, aid should be linked to reductions in capacity, but the Commission said yesterday it had received no indication that such a link existed. Further, the subsidies are not permitted without Commission approval and that had not been sought.

The Boussac case involves subsidies of FFr 480m (£44m) the provision of which the Commission believes could distort trade in the EEC. Again, the Commission has complained that it has not been notified of the subsidy plans by the French Government.

If the Commission investigation reveals that the subsidies have been improperly granted, then it has the power to demand the recovery of funds already handed over. A spokesman said yesterday that the Commission was proceeding with great caution and that the cases could take months to resolve.

Norway may scale down gas development

BY DOMINIC LAWSON

NORWAY IS preparing an important switch in its oil and gas policy, Mr Arild Rodland, Deputy Energy Minister, said in London yesterday. The idea is to accelerate the development of unexploited oil reserves and reduce the emphasis on gas.

The move appears to have been caused by the belief that Britain will shortly reject the British Gas Corporation's (BGC) plan to buy $30bn (£24.2bn) worth of gas from Norway's undeveloped Sleipner field.

Norway's energy policy has been based partly on the assumption that the BGC would be given the go-ahead to buy the gas, having agreed commercial terms with Statoil, the state oil company, last February.

However, the UK Government has serious objections to the deal, partly because it is denominated in increasingly expensive dollars, and partly because it fears that the deal will export jobs to Norway.

It has said that it will give a decision by the end of this month, but Mr Rodland said yesterday that he thought there was only an even chance of approval.

Several oil fields are now likely to be developed more speedily than had been planned, he said, to take the place of a gas-led development policy, if Sleipner is turned down.

The first change would be that the second phase of the Gullfaks oilfield development would be brought forward, with parliamentary approval in the spring. Mr Rodland also raised the possibility of the development of the considerable oil reserves within the giant Troll gasfield, taking place before the gas was developed.

The minister said that there were several other oil accumulations which were sufficiently large to be developed in the near future.

Norway is, essentially, now admitting that the market for gas in Europe is so much in favour of buyers, that its policy of developing large gasfields may have to be abandoned. However, the result may be that Norway will bring extra oil production on to the world's markets, at a time of considerable oil price weakness.

Howe to visit five East European nations

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

SIR GEOFFREY HOWE, Britain's Foreign Secretary, is to visit five East European countries in the next three months, in a marked stepping up of the British Government's East-West diplomatic activity.

Following his February 8-11 trips to Romania and Bulgaria, Sir Geoffrey plans to visit East Germany, Czechoslovakia and Poland between April 8 and 13, the Foreign Office announced yesterday.

Officials described Sir Geoffrey's visits as intended to re-engage all Warsaw Pact states in dialogue with the West and to underscore that East and West European states, and not just the two superpowers, have a role to play. Both Sir Geoffrey and Mrs Margaret Thatcher, the Prime Minister, visited Hungary in 1983-84.

The three countries which will host Sir Geoffrey in April are often described as the "iron triangle" because their key geographical location in the Warsaw Pact.

Of particular political sensitivity will be the Foreign Secretary's trip to Warsaw. He follows in the footsteps of Mr Malcolm Rifkind, his junior Foreign Office Minister, who arused the ire of the Polish authorities by his contacts with Solidarity movement representatives when he visited Poland last November.

Yugoslavia feels misled over debt

By Aleksandar Lebl in Belgrade

YUGOSLAVIA IS still confident of reaching an early rescheduling agreement on its 1985-88 commercial bank debt, but feels it has been seriously misled—by Western banks and governments alike—into underestimating the difficulties of obtaining multi-year debt relief.

Talks with commercial banks, broken off last week in London without result, are likely to resume within two to three weeks, officials here say, possibly after a new round of negotiations, starting on February 11, with the International Monetary Fund. The latter talks are aimed at concluding a stand-by credit arrangement from April 1. Yugoslavia also expects to meet Western creditor governments again soon in Paris.

The London talks with the banks are said to have made substantial progress, with both sides clarifying their positions and paving the way for an early agreement on rescheduling the 1985-88 commercial debt of $3.5bn.

The Belgrade authorities, however, also seem to realise that obtaining multi-year debt relief has proved far harder than they originally hoped. At the outset, they had thought that the even, three-way distribution of Yugoslav obligations between Western banks, governments, and international institutions would work to their advantage.

But first, Western governments failed, in Belgrade's eyes, to live up to their London economic summit offer last year of multi-year rescheduling and insisted on year by year debt negotiations.

Then, the banks, despite their agreement in principle to rescheduling the next four years' debts, are now insisting on "serial" agreements, implemented stage by stage over 1985-88. Even another IMF standby, which Yugoslavia originally hoped to do without, is proving longer to negotiate than initially thought.

However, performance of the economy is improving, according to the latest official figures which estimate a $850m current account surplus in hard currency for 1984 well in excess of the $500m agreed earlier with the IMF. Most of the proceeds will go to replenish national bank reserves.

The hard currency trade deficit also fell from $2.2bn in 1983 to $1.7bn last year. Despite declining export prices, the value of exports rose 6 per cent and imports 2 per cent.

Le Monde editor signposts a brighter and richer future

BY DAVID HOUSEGO IN PARIS

ATTENTIVE readers of Le Monde will have already noticed one change in the paper since. M Andre Fontaine took over the reins at the weekend as its new editor-in-chief. The front page is less cluttered and the patchwork quilt of six or seven articles has been replaced by a layout that gives prominent display to only three. A box at the foot of the page signposts the major news stories inside.

Small though the change might be, it nonetheless reflects M Fontaine's determination to make Le Monde, which for three years has been plunged in a crisis of falling sales and mounting financial losses, easier to read and more attractive to its younger audience which has been peeling away in favour of other papers.

"I am a man who believes in communication," says M Fontaine. "A newspaper is a vehicle for talking to people. Journalists must get it into their heads that articles are written to be read." He promises to "wage war"—and emphasises the "war"—against Le Monde's long-winded professorial pieces that appeal only to like-minded specialists. He says that he has already sent articles back with instructions that they are to be cut by half.

As well as simple clear language, he intends to impose a little more leadership on Le Monde and "a more clearly defined editorial line." One of the criticisms most often voiced against his predecessor, M Andre Laurens, was that he did not provide a firm hand at the helm and that nobody knew where Le Monde stood on the major issues of domestic politics.

With France entering a turbulent political period leading up to the Parliamentary elections in 1986 and the Presidential elections two years later, M Fontaine intends that Le Monde's voice should again be heard.

At 63, urbane and cultured, M Fontaine is one of the most distinguished commentators in French journalism. He joined the paper in 1947 and became associate editor in 1969, but failed in his first bid in 1980 to become editor when M Jacques Fauvet was planning to step down. He has remained faithful to journalism, notwithstanding an offer in mid-career to become French ambassador to China.

Now that the prize has fallen into his hands and a ceasefire declared among Le Monde's warring journalistic tribes, he sees a change of atmosphere at the paper. "There is a new climate of confidence," he says. "People were fed up with the uncertainty and drift of recent years."

Defeatism has given way, he claims, to a new determination to safeguard the paper's future. He points as well to the enthusiasm of readers, as manifested in the more than 1,000 letters of congratulation he has received. But at the same time, he prudently adds, that he is now benefiting from a period of grace.

In practice M Fontaine was elected by what one journalist calls "an unnatural alliance on the paper between the pro-Amalric and the pro-Julien lobby." M Jacques Amalric is the foreign editor whose strong

anti-Soviet views have given him a Right-wing reputation. briefly elected editor in 1981, is ideologically to the left-ies ideologically to the left. with a strong commitment to the third world. The alliance helped to bring down M. Laurens and thus indirectly to put M. Fontaine in his place.

M. Fontaine won the votes of only 60 per cent of the editorial staff, however, and is under no illusions about the strength of his support. He says he was chosen because "the staff could see no other solution" and because "I have a standing outside the paper."

His belief that the antagonisms will die down if the paper can be put back on its feet and morale restored is shared by many of the journalists. "It was the declining readership and the financial losses that brought the clash of views into the open," says one. "If M. Fontaine can restore the paper's reputation, then the opposition will lie low."

M. Fontaine's first major test will be in three months' time when he presents his plans for the paper's future. He says that he and his editorial team will resign if it is turned down. He has brought in an experienced manager as part of his team, M. Bernard Wouts, 44, a former executive of the Bayard-Presse. "I don't count myself as a newspaper manager," M. Fontaine says.

Together they are beginning again from scratch on proposals to eliminate losses which have cumulatively reached FFr 80m (£8m) over the last three years. M Fontaine's idea is to bring in fresh capital from outside but to retain Le Monde's autonomy by ensuring that new shareholders have only a minority interest and are clearly named. Like any other shareholder, however, they would have some powers of supervision over the management.

He also wants to lower Le Monde's overheads by sharing its printing press at Saint-Denis outside Paris with other papers. If he can do this, then he would remove the printing operations from Le Monde's headquarters in the Rue des Italiens in Paris to Saint-Denis. This would enable the headquarters building to be sold, while Le Monde looked for more modern editorial and administrative offices elsewhere.

The most difficult hurdle to be overcome in this plan will be the introduction of outside shareholders, to which many journalists remain opposed.

Though M Fontaine has the image of being more to the Right among the papers' staff, he says that he voted for M Mitterrand in 1981—"though I don't know how I will vote at the next election."

He believes that there are aspects of Socialist rule that have been positive. "What worries me about the Right," he says, "is their implicit assumption that they alone have the right to govern and are the only ones capable of doing it."

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South Africa may include blacks in talks on reform

SOUTH AFRICA'S Government is discussing the possible inclusion of blacks in future talks on political reforms, Dr Gerrit Viljoen, Co-operation and Development Minister, told the Rand Daily Mail yesterday, Reuter reports from Cape Town.

The idea is being debated in a Cabinet committee dealing with urban blacks, he added.

A reform last year granted a minor political role to Indians and mixed-race Coloureds, but excluded the blacks who make up 73 per cent of South Africa's population.

It set up Indian and Coloured chambers in a new parliament in which whites retained overall control.

Mr T. Lekota, spokesman for the United Democratic Front (UDF), the country's leading anti-Apartheid organisation, said the Government was trying to devise a formula that would divide the blacks without offering significant concessions by whites.

"We have a suspicion that the Government committee discussing urban blacks is preparing for a fourth parliamentary chamber," he said.

A fourth chamber "would represent a minority" of South Africa's 22.8m blacks, most of whom live in tribal homelands set up under the policy of racial segregation.

Many blacks who lived in urban regions had been stripped of their citizenship and had been attached to the homelands, Mr Lekota went on.

The noly negotiating forum acceptable to the UDF would be a convention of all race groups in the country to draw up a new, non-racial constitution and end apartheid

In his Rand Daily Mail interview, Dr Viljoen did not say who might be included in the proposed negotiating process.

"My experience is that black leaders are open to the need for a peaceful solution, which means a give-and-take rather than a simple black majority single-state concept which, in any case, would not be accepted by the whites and would lead to deadlock."

The Government was reviewing some aspects of its policy of forcibly removing black communities into tribal homelands from areas designated for whites.

The policy, estimated by civil rights group to have affected 3m people since 1960, has provoked widespread international condemnation.

Dr Viljoen made clear that removals would not be halted altogether, but hinted blacks due to be moved might not be forced to settle in the homelands.

Ver faces trial over Aquino murder

By Emilia Tagaza in Manila

GEN FABIAN VER, the Philippine armed forces chief alleged to have been implicated in the assassination of the opposition leader Mr Benigno Aquino, is to be tried before a special court on charges of being an accessory to the murder.

The case against Gen Ver and those against 25 others accused of being either principals, accomplices or accessories — were filed yesterday by Justice Bernardo Fernandez, the Tanodbayan (ombudsman).

His preliminary investigation was based on the reports of a panel that conducted a year-long inquiry.

The Tanodbayan upheld the inquiry panel's conclusion that Mr Aquino was a victim of a military conspiracy, although his own report further defined the charges against the conspirators.

The panel chairman's report named only eight military men in the conspiracy and specifically exonerated Gen Ver. The majority report of the four panel members named Gen Ver, two other generals, and 23 other soldiers as conspirators.

Mr Fernandez named Gen Ver and Gen Olivas, Metropolitan Manila police chief, as accessories, but said they were not involved in the conspiracy.

Leading the list of those said to have been principals in the conspiracy is Gen Luther Custodio, chief of the Aviation Security Command which was guarding Mr Aquino when he was shot on his return from self-exile in the U.S.

Next month's election may produce an unexpected challenge, reports Steven B. Butler

South Korean Opposition grows new teeth

THE LAUNCH of a new Opposition party by followers of South Korea's two leading dissidents, Mr Kim Dae-Jung and Mr Kim Young-Sam promises a stronger challenge to the Government in national assembly elections next month than had been expected.

Both men are barred from taking part in politics. Mr Kim Dae-Jung, the most serious opponent of President Chun Doo-Hwan, say she will return from voluntary exile in the U.S. on February 8, four days before the election, to continue his "struggle for democracy."

The Government has said it will arrest Mr Kim should he return, ostensibly to resume a prison term for crimes committed before he was allowed to go abroad for medical treatment in 1982.

Many believe that Mr Kim's political influence has crested. "He's not going to sweep the nation off its fet," says a diplomat. But acording to one opposition assemblyman, his very presence in the country will give the Opposition strength and confidence."

In any case, his return could set off unpredictable events in South Korea, where he is often compared to the late Mr Benigfino Aquino, whose assassination at Manila airport in 1983 set off a wave of political unrest in the Philippines.

Th Government has responded to the creation of the new Opposition party, thet New Korea Democratic Party, by refusing to allow Mr Kim Young-Sam, the other important opposition leader, to attend founding ceremonies for local branches of the new party.

A senior Government official said the action was a "humanitarian preventive measure." If Mr Kim attended the ceremonies, the official said, the Government might be forced to take more stern measures and formally arrest him.

The new political party has complained of Government harrassment. The central election commission has hampered its operations by processing registration papers at a snail's pace, party officials say, and a threat to potential donors of an intensive tax investigation has cut off its funds. When the party moved into new offices the landlord stopped the lift from running, forcing party members to carry furniture up 10 flights of stairs.

Mr Choi Chang-Yoon, a Presidential Secretary for Political Affairs, denied that there has been any systematic attempt to harass the new party, and said that once it is formally established, its difficulties will disappear.

No-one expects this new Opposition activity to result in an upset defeat of the ruling Democratic Justice Party (DJP), however, for Korea's electoral laws give a large advantage to the political party receiving the highest vote.

In the last election, the DJP, facing two major opposition parties, won a 53 per cent majority of the seats in the Assembly with only 35.6 per cent of the popular vote. In this election, with the Opposition vote split among three parties, analysts expect the DJP to come out on top again.

But according to one diplomat, if the DJP vote slips below that at the last election the Opposition will become more vocal and demand more influence." The Government's ability to manipulate the political Opposition may be falling apart," he said.

Critics have repeatedly charged that the Opposition parties currently in the Assembly — the Oemocratic Korea Party and the Korea National Party— are simply inventions of the Government designed to create a democratic façade.

Opposition party leaders have been known to discipline members for excessively harsh criticism of the Government, and conflict over party discipline and other factional questions led to the defection of 10 DKP members to the new party in December.

Government officials deny the Opposition is manipulated or docile. They say that Opposition pressure on budget bills, or on controversial items such as local autonomy legislation or election laws have resulted in significant compromises from the ruling party.

"Ask any Cabinet Minister," says Mr Lee Tae-Sup, first Minister of State for Political Affairs. "What they dislike most is to go to the National Assembly and have to answer questions."

It is widely understood however that Opposition criticism should not extend to the President and should not question the premises of the political system.

The Government points to cooperation and compromise with the Opposition parties as a major sign of South Korea's "political development," but the cooperation deeply disturbs many Government opponents, many of whom still refuse to accept hte legitimacy of Mr Chun's presidency.

Mr Chun's rise to power followed a coup in the army in December 1979, after the assassination of Mr Park Chung-Hee, a former military officer who ruled South Korea for 18 years. Mr Chun, a two-star general, later shed his uniform and ran for the Presidency as a civilian.

But before this poll, 835 politicians had been banned from taking part, and htere had been a violent uprising in the Southern city of Kwangju where several hundred people died. Residents of the city remain bitter over the event, blaming Mr Chun.

Kwangju is in the home province of Mr Kim Dae-Jung, and his supporters there remain fiercely loyal to his cause. They are calling for a revision of the constitution to allow direct election of the president. The system of indirect elections can too easily be manipulated by the Government, they say.

The Government maintains that there can be genuine competition in the next Presidential election, when political rights will have been restored to nearly all politicians. Mr Chun has promised repeatedly to step aside in 1988, when his term of office expires, leading the way for the first peaceful transfer of Presidential power in South Korea's history.

It is clear, however, that a bolder Opposition will put the Government into a ticklish position this time. The Government has so far taken great pride in the maintenance of political stability through gradual liberalisation. Although the pace of liberalisation has hardly satisfied critics, the Government has yet to take a serious step backwards.

If the criticism becomes more vocal, the Government might find it tempting to strike back at the challenge to its authority. Yet, if it were to clamp down on Opposition politicians who have only recently been allowed to be active again, it would call into question its entire political programme, as well as suffer serious embarrassment at home.

Abroad, such action would mar the image the Government has been trying to project of a stable, legal democracy, and could lead to greater pressure from its closest political and military ally, the United States.

ELECTION CAMPAIGN OPENS

SOUTH KOREAN President Chun Doo Hwan yesterday formally opened campaigning by political parties for elections on February 12 for a new 276-member parliament, writes Reuter from Seoul.

More than 600 people are expected to register as candidates for 184 seats to be decided by direct voting. The other 92 seats will be allocated to parties in proportion to the number of seats they win.

Campaigning before the presidential declaration was banned, but government and opposition camps have accused each other of illegal electioneering, including allegations of payments to voters.

● North Korea yesterday accused South Korea of shooting at two of its fishing boats and said the incident put a new obstacle in the path of any North-South dialogue.

The North yesterday called the incident "a piratic act wantonly violating international law and a grave provocation aggravating north-south relations again and laying a bigger obstacle in the way of dialogue."

According to broadcasts monitored in Tokyo, the North said South Korean naval vessels fired more than 100 shots at the boats in international waters east of North Korea and 40 miles off Japan early on Tuesday morning. The shots were fired after the North Korean crew refused to go to the southern port of Pusan, the reports said.

In Seoul, the South Korean navy denied firing any shots and said the boats veered away after loudspeaker warnings when they tried to enter Southern territorial waters.

The communist North has postponed indefinitely economic co-operation talks due to have taken place last week because of U.S.-South Korean military exercises starting on February 1.

Dissidents Kim Dae-Jung (above) and Kim Young-Sam

Inflation to rise to 16% after petrol price rise

BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICA'S inflation rate is set to rise quickly to about 16 per cent in the wake of yesterday's 40 per cent increase in petrol and diesel prices, say economists.

Mr Danie Steyn, the Minister of Mineral and Energy Affairs, yesterday announced that the controlled price of petrol at the pumps was to be increased by 25 cents a litre from today, lifting the price of 93 octane fuel from 63.5 cents a litre to 88.5 cents in the Johannesburg area.

The immediate direct effect, economists estimate, will be a 2 percentage point increase in the inflation rate which had halted its upward rise at 13.8 per cent in December 1984. Ripple effects eventually will add an extra 1 point to the inflation rate.

South Africans have had several weeks of warning that petrol prices were due to increase sharply, particularly as the price of imported crude oil has advanced sharply in response to the progressive decline in the Rand's value against the dollar.

The decline in the exchange rate, Mr Steyn said yesterday, had more than offset the advantages of lower world crude oil prices. He warned that unless the rand's exchange rate improves prices will be increased further.

U.S. 'may boost military help to Philippines'

By Our Manila Correspondent

The U.S. may increase its military assistance to the Philippines in addition to what is provided by the military bases agreement between the two countries, in order to help counter communist insurgency, Mr Arturo Tolentino, the Philippines Foreign Minister, said yesterday.

"An increase is possible but the kind of assistance I see is not in form of arms but perhaps in the form of advisers for training men of the armed forces, and for the improvement of equipment," he said in a speech to foreign correspondents in Manila.

Mr Tolentino said if advisers were indeed sent to the Philippines, their presence would not pose problems so long as they limited their activities to training and did not interfere in military operations.

The provision of U.S. arms would be strictly in accordance with the military bases agreement, he said. The U.S. keeps two bases in the Philippines, the largest in the Pacific, for which it provides an economic-military package or "rent." For the five-year period 1985-1989, the two Governments agreed to a $900m (£824m) package divided into military sales credit, direct military aid, and economic aid.

For 1985, U.S. Congress has approved $25m in military aid but the Philippines is pressing that this be increased to $85m.

Paris embarrassed by Indian spy scandal

BY PAUL BETTS IN PARIS

THE FRENCH Government claimed yesterday to have no knowledge of two French businessmen reported by the Indian Press to have fled the country shortly before the uncovering of an international spy ring in New Delhi.

The French Government also continued to remain silent yesterday on the recall to Paris of Colonel Alain Bolley, the French deputy military attache in New Delhi accused of being part of the spy ring. French officials had no comment nor knowledge of Indian Press suggestions that Paris was planning to take sanctions against Colonel Bolley.

The official line in Paris remained yesterday the initial communique issued on Sunday by the Government stating that Colonel Bolley had been called back for consultations. The statement also said the Government had no other comments on an affair it claimed was "foreign" to it.

But the Indian spy scandal is clearly proving embarrassing for Paris, although the French Press so far has not given it much coverage. However, Le Monde, the Paris afternoon newspaper, carried a front page editorial on the scandal calling it a "bad blow" for France.

The growing impression in Paris is that the affair involves essentially commercial rivalry for defence sales to India between France and the Soviet Union. Paris now fears the affair could seriously undermine French chances to follow up the initial sales of 40 Mirage 2000 jet fighters with a new major arms package deal for India.

● A total of 2,717 people, most of them Sikhs, were killed in anti-Sikh rioting that followed the assassination of former Prime Minister Mrs Indira Gandhi, a Cabinet minister told India's parliament yesterday, AP reports from New Delhi.

AMERICAN NEWS

U.S. companies step up early retirement drive

BY PAUL TAYLOR IN NEW YORK

U.S. CORPORATIONS are aggressively continuing to encourage their workers to retire early and rarely give older employees incentives to continue working after they reach 65.

As a result the average retirement age has dropped dramatically in the last decade, and, while older Americans make up a growing proportion of the population, they represent a shrinking percentage of the workforce, according to a report released yesterday by the Conference Board, a respected New York-based independent reasearch organisation.

The Conference Board study, based on a survey of 363 companies covering a wide range of manufacturing and service industries in the U.S., shows that "the vast majority of firms are continuing to encourage retirement before the age of 65."

The survey confirms a trend evident in the U.S. for a quarter of a century.

Among the specific findings of the report entitled "managing older workers: company policies and attitudes":

● More than 60 per cent of the surveyed companies have early retirement inducements in their pension plans but only 3 per cent offer their employees incentives to continue working beyond the age of 65.

● Just 14 per cent of U.S. companies report an average retirement age of 65 or older, down from 42 per cent in 1972. At 51 per cent of the companies surveyed the average retirement age is 62 or less, compared with 3 per cent in 1972.

● Men in the late 50's and early 60's, as well as those aged over 65, have been increasingly withdrawing from the labour force. Only 16 per cent of all men aged 65 and older are in the labour force, compared with 48 per cent in 1947. In addition, the trend towards part-time work has intensified. While 35 per cent of all men aged over 65 worked full-time in 1947 the figure has steadily declined and is now about 8 per cent.

● The proportion of women aged between 55 and 64 working has held steady over the past 15 years and is about 42 per cent, women are also increasingly taking early retirement.

Ms Shirley Rhine, author of the study, notes: "A reversal of the 25-year trend towards early retirement is not imminent. Efforts to discourage older workers from retiring before the age of 65 or to encourage them to postpone retirement beyond age 65 are exceedingly rare."

Managing older workers: Company policies and attitudes, report 860, the Conference Board, 845 3rd Avenue, New York NY 10022. Tel (212) 759-0900.

Coca-Cola to go on sale in Moscow

By William Hall in New York

COCA-COLA, the world's biggest-selling soft drink, is to go on sale in the Soviet Union which until now has been the sole preserve of Coke's arch-rival, Pepsi-Cola.

The move will give an important boost to Coca-Cola's flagging overseas soft drink sales which have recently only been growing half as fast as its U.S. sales.

Pepsi-Cola opened its first plant in the Soviet Union in 1974 and now has 10 plants

Coca-Cola has long wanted to challenge Pepsi's hold on a market *boasting 275m potential drinkers*, but has been kept out by an exclusivity agreement signed between the Soviet authorities and Pepsi.

The agreement expired recently, *and Coca-Cola's senior manage*ment has not wasted time opening another outpost in its worldwide empire of more than 150 countries.

The Soviet Union was the last major market – apart from India from which Coca-Cola withdrew in the early 1970s – where the product was not sold.

Coca-Cola's sister drink, Fanta Orange, has been on sale in the Soviet Union since 1979 and is currently produced and sold in Moscow, Tallin and Kiev.

Coca-Cola will be sold initially in shops serving tourists, diplomats and foreign visitors. It will first go on the market in Moscow this summer, and its Soviet launch is planned to coincide with the 1985 FIFA/Coca-Cola Cup for the world youth championship -

Honduran defence treaty plea rejected

THE U.S. has refused to grant Honduras a defence treaty promising strong guarantees against an attack by a neighbouring country, according to Honduran officials, **Reuter reports from Tegucigalpa.**

They said that Mr Robert McFarlane, U.S. National Security Adviser, turned down the request last weekend when he met President Roberto Suazo Cordova and General Walter Lpoez Reyes, armed forces chief.

The search resumed yesterday morning for a U.S. air force C-130 cargo plane carrying 21 Americans that crashed in the Caribbean Sea off the the Honduras coast.

Stewart Fleming, U.S. economics correspondent, on post-election decision making

Crisis creeps up on deficit ditherers

AS HE took the oath of office earlier this week, President Ronald Reagan once again seized the rhetorical high ground on the issue of the federal budget deficit.

"An almost unbroken 50 years of deficit spending has finally brought us to a time of reckoning," he proclaimed, adding about the prospects for reducing the deficit: 'If not us, who? If not now, when?"

It was a statement which contrasted oddly with the Administration's dithering about what practical steps to take on the budget issue since the President's overwhelming victory in *the November election.* The indecision has led to warnings that Mr Reagan is in danger of squandering the priceless asset of political momentum which his victory gave him.

The curious, even casual, way in which several of the Reagan Administration's top policy-makers reshuffled themselves just after Christmas has been one development which has conveyed a sense of drift.

The job swap between Mr Donald Regan, the Treasury Secretary, and Mr James Baker, the White House Chief of Staff, has raised not only eyebrows but also question marks over the implementation of Presidential policy.

The subtle political skills of Mr Baker are seen as on *tax reform and some observers* also believe that Mr Baker may press for more positive action on the budget deficit. It is feared, however, that Mr Regan has something to learn about the art of making politicians feel important in order to win their support. How quickly he learns may affect the White House's ability to reach acceptable compromises on Capitol Hill over the budget.

The evident uncertainty at the White House about what to do about the budget deficit, expected to rise to \$230bn in 1986 has been seen as another sign that the President has yet to take firm control of the helm.

Indeed, his decision to propose a freeze on Government spending for 1986 which could however leave defence spending virtually unscathed, the President seems to have opted to surrender the initiative on the deficit issue.

By leaving defence spending out of the reckoning Mr Reagan has been forced to recommend draconian cuts in other programmes, an approach which has made the package of \$50bn of spending cuts the President will propose politicially almost impossible to sell.

*As the outlines of the Presi*dent's budget plans began to leak out in December, the universal judgment made was that by the time they were presented to Congress they would be "dead on arrival." Mr Reagan is reported to have recognised this.

He has decided to schedule his State of the Union message on February 6 after the budget message which is expected to be presented to Congress on February 4, rather than before it, to try to minimise the political damage he could suffer from a protracted budget analysis in the media.

In spite of these *far from propitious omens, few in Wash*ington are yet prepared to say that the President's decision to take a back seat in the early budget running is necessarily a political miscue. Nor will they say that the decision automatically reduces to negligible the chances that Congress will take another bite out of the 1986 budget deficit this year.

For, with unprecedented speed, the political vacuum which President Reagan's retreat has recreated has been filled by Senator Robert Dole, now Republican majority leader in the Senate and a man who, it is said, nurtures the hope that his brand of pragmatic conservatism will make him a Republican standard-bearer in the 1988 Presidential election.

The fact that that race has already begun, is partly thought to account for Senator Dole's readiness to try to lead the way towards fashioning a deficit-cutting compromise among Senate Republicans now. Now

Senator Dole, it is argued, wants to hit the ground running in his new job to begin building a platform and a profile for 1988. He and many of *his* Republican colleagues are also worried that with 22 of their number up for re-election in the Senate in 1986, they must try to do everything thy can to ensure that the economy stays healthy over the next two years.

If the Republicans were to lose their Senate majority, Mr Dole would also lose his launching pad for 1988.

One of the reasons why the huge budget deficits and soaring federal debt have not sparked a more vigorous political reaction so far, is that the deficit is a *creeping crisis.* Generally healthy sectors of the economy are only now beginning to feel the pain.

The strong dollar, which the huge deficits and high interest rates have helped to create, has already contributed to more sluggish than expected economic growth in the second half of last year. If trade deficit projections of \$180bn for 1985 are to be believed, they will curb the economy's expansion this year, too.

Even without another deterioration in the trade account, a growing band of companies is beginning to suffer long-term damage to its business from foreign competitors and is being forced to change its investment strategies as a result.

Protectionist sentiment is rising. So, too, are fears about the increasing vulnerability of the U.S. economy to the whims of the foreign investors who are *financing its swelling capital* needs.

The Treasury's decision last week finally to inch its way towards a more flexible response to European calls for increased intervention in the foreign exchange markets is being attributed in part to fears in the Administration both about the current strength of the dollar and the risk of dollar weakness that might lie ahead. The Treasury, *it is argued,* can see that it may have something to gain from a more activist approach on the foreign exchanges by the governments of the industrial countries.

These are some of the factors which are cited by those who maintain that Senate Republicans will fashion a plan to cut some \$50bn off the 1986 budget, a reduction which will be designed to more than double by 1988, and which will include real curbs on the growth of defence spending. Such a scheme would have to be bulldozed *through a divided* and fractious House of Representatives, and would have to be sold to President Reagan.

There is, however, a suspicion that, with half an eye to history, Mr Reagan — the man who came to Washington to cut the Government down to size — does not want to leave an untamed budget deficit as his legacy to posterity. He knows that time is short if he is to undo the fiscal damage he wrought in his first term.

He is also well aware that if Congress is ever forced into a "*quick fix*" of the budget problem, it could easily resort to the increased taxes which are anathema to his political philosophy. This view suggests, too, that the President is ready to compromise and that 1985 will see another down payment towards a reduction in budgetary red ink.

Mr James Baker, White House Chief of Staff, yesterday won unanimous backing from the Senate Finance Committee for his *appointment as Treasury Secretary—the first step in what* promised to be rapid and easy confirmation by the full Senate.

At confirmation hearings before the committee, Mr Baker did not deviate from current Administration economic policy and was non-committal on whether the U.S. should intervene more actively on foreign exchange markets to restrain the dollar's upward climb.

Mr Baker had "no opinion" on whether U.S. intervention policy should be changed, and said he understood "nothing has been done" so far to step up intervention, following last week's Washington meeting of Finance Ministers from the five leading Western industrial countries.

The tasks facing the U.S. were to pursue monetary policies that kept inflation down while assuring strong and sustainable economic growth, to reduce budget deficits by cutting "wasteful and unjustifiable" Government spending, and make the U.S. tax system fairer and simpler.

US$ ECONOMIC DIARY

World Bank reports strong financial position mid-year

BY NANCY DUNNE IN WASHINGTON

WORLD BANK officials yesterday gave a glowing report on the bank's position at the end of the first half of its 1985 fiscal *year and announced that, for* now at least, they are dropping the 0.25 per cent front-end arrangement fee they were charging on loans

"We regard the bank as being in a very strong position, not only from the profit perspective, but from the standpoint of being able to fun itself, regardless of the circumstances, *from the capital markets,*" said Mr Moeen A. Qureshi, senior vice-president for finance.

The only gloom in the otherwise favourable review of the bank's first half, which ended on December 31, 1984, was the *slowdown of new lending com*mitments

Meanwhile in Washington, a group of 136 business leaders, including former treasury officials, met to organise a new committee to generate grass-roots support within the U.S. for the World Bank and the International Monetary Fund.

Organisers of the new Bretton Woods Committee, *includin Mr* Henry H. Fowler, former treasury secretary,

Managua passes amnesty law

NICARAGUA has approved a general amnesty law, permitting the return of all the anti-government guerrillas fighting inside the country, or based in Honduras and Costa Rica, **Tim Coone writes from Managua.**

The law was passed in the first session of the new National Assembly by an overwhelming majority. The only opposition came from the far left and the conservative Democrats, the latter wanting the amnesty extended to prisoners captured for security offences.

There are an *estimated* 10,000-12,000 U.S.-financed guerrillas seeking to overthrow the left-wing Sandinista government. They are organised in four main groups, the FDN and Misoura based in Honduras, and ARDE and Misurasata based in Costa Rica.

The guerrillas, to take advantage of the amnesty, have until *July 19 to hand over their arms.*

About 1,500 guerrillas handed themsleves over to the Nicaraguan authorities under a previous limited amnesty dating from December 1983.

It is unlikely, however, that there will be a major disintegration of the guerrilla forces as a result of the new amnesty.

Meanwhile, moves are afoot within the Conservative Democrat Party to try and unite political opposition to the Government and to call for a ceasefire *by the guerrillas, in return for* new presidential and national assembly elections.

El Salvador peace talks 'on brink of collapse'

LEFT-WING Salvadorean guerrilla leaders have accused President Jose Napoleon Duarte of being too weak to defy right-wing opposition to continued talks aimed at ending five years of civil war.

Farabundo Marti National Liberation Front (FMLN) leaders said on Tuesday that *the talks were on the brink of* collapse. Guerrilla representatives met government officials twice last year.

A third round of talks was expected at the end of this month but Salvadorean Government officials said problems between President Duarte and the right made any meeting highly unlikely, especially before National Assembly elections on March 17.

The guerrillas, however, insisted on a meeting before the polls.

WORLD TRADE NEWS

China signs telecom deal with French company

By Paul Betts in Paris

COMPAGNIE Generale d'Electricite (CGE), the French nationalised electronics group, has signed a FFr 500m (£46m) contract *to supply digital tele*phone exchanges to China.

CGE's CIT-Alcatel telecommunications subsidiary will supply its E-10 B digital switches providing 100,000 telephone lines for the city of Peking. The contract follows prolonged negotiations between the French company and the Chinese.

The deal, which opens the potentially vast Chinese telecommunications market for the French group, is particularly welcome for CGE which did not won any major public switch export contracts *last year.*

Under the recent reorganisation of the French telecommunications industry, CGE has been given the dominant role in the sector by absorbing the telecommunications assets of Thomson, the other large French nationalised electronics group.

CGE follows ITT in the emerging new Chinese telecommunications market.

● The first UK licence agreement, worth about £450,000 for semiconductor technology into China has been successfully established between Marconi Electronic Devices (MEDL), a GEC company, and the Chun Shu Rectifier Plant (Peking), **our Trade Staff writes.**

Danes win U.S. dairy order

DANISH DAIRY equipment manufacturer Pasilac, a member of Danske Sukkerfabrikker Group, has won a DKr 1bn (£79m) order to supply equipment for a dairy at Little Falls, Minnesota, **Hilary Barnes writes from Copenhagen.**

Other members of the Sugar Factories Group, including Niro Atomizer, Danish Turnkey Dairies and Moeller & Jochumsen will also supply equipment for the project, believed to be the biggest export order ever obtained by a Danish company.

The dairy will process 1m litres of milk a day and produce 100,000 kg of cheese and 4,000 kg of butter a day. Pasilac is already supplying equipment *to a similar dairy being built in* California.

Japan threatens action against U.S. airlines

BY JUREK MARTIN IN TOKYO

***JAPAN is threatening to re*taliate against U.S. airlines if the U.S. continues to refuse to grant a Japanese cargo carrier access to the U.S.**

The Japanese position is to be presented at the next round of bilateral aviation talks in February. Previous negotiations broke down over the cargo carrier issue.

In the Japanese view, the nub of its complaint is that the U.S. Civil Aeronautics Board has taken no action in the year since Nippon Cargo Airlines, set up in 1982 as an *affiliate of All Nippon Air*ways, the domestic carrier, first applied.

The Japanese retaliation, according to press reports which the Transportation Ministry here did not substantively deny, could take the form of reducing or even blocking the the services to Japan of Flying Tiger Airlines, a U.S. cargo carrier, currently running at the rate of 52 a week.

Also under consideration are denying additional services to the four commercial *U.S. airlines*—Pan American, Northwest Orient, United, and Continental-Air Micronesiae—which presently run 307 flights weekly in and out of Japan. The U.S. had previously been pressing Japan that an additional carrier be granted Japanese services.

Japan believes this already constitutes an imbalance because Japan Air Lines, the only Japanese carrier serving *the U.S.*, operates just 168 passenger and cargo services a week. JAL itself has frequently complained that its *competitiviy* has been harmed because the U.S. carriers have been able to offer packages for travel in the U.S. using their domestic route networks.

However, *the dispute over* air services may not be seen in isolation. The two countries are also preparing to do battle over who carries what in shipping between the U.S. and Japan and it is not inconceivable that the U.S. would seek to widen the arguments to this field in order to obtain greater leverage.

Miti's ban on petrol imports to stay

BY OUR FAR EAST EDITOR

THE Ministry of International Trade and Industry (Miti) yesterday dismissed as "speculation" reports that it is considering lifting the official ban on petrol imports. "There is no change in present policy and no plan at the moment to investigate the possible change," a spokesman said.

The local press reports had been sparked by the curious case in which Miti does appear to have prevented Lions Petroleum, a minor petrol retailer, from importing directly from Singapore. The shipment arrived at the port of Kobe last month but, following Miti's *intervention, was eventually* acquired by Nippon Oil, the country's oil leader, and imported under the classification of reformate naphtha, the fuel oil feedstock, which is permissible.

Mr Taiji Sato, president of Lions, who has very much cast himself in the role of the small independent opposed by mighty Miti, has now gone back to Singapore to try to arrange another contract.

Nihon Keizai, the economic newspaper, has reported that Miti was considering asking the Petroleum Council, an advisory panel which helps set *policy, to devise a quota system* to replace the ban on petrol imports because both the domestic oil industry and consumers were pressing for change.

Only last summer, however, the Petroleum Council, citing reasons of national security, recommended that Japan should continue its policy of meeting domestic demand by refining imported crude rather than importing finished products as some oil exporting nations would like (gases are differently treated).

This policy helps Miti in that it is currently engaged in directing a substantial rationalisation of the domestic oil industry which, both ministry and companies freely agree, has long been characterised by the inefficient presence of too many enterprises, both in refining and distribution.

The 13 large refining and distribution concerns are in the process of being merged into seven groups, each with effectively guaranteed market shares; refining capacity has been gradually reduced from nearly 6m barrels a day to under 5m b/d; and Miti would like to cut the number of filling stations, which number about 60,000 (against, for example, 23,000 in West Germany); and no station in Japan is self-service, which is a totally alien concept.

Miti's broad course has been to keep the prices of fuel oil for industry and kerosene for the consumer low, for obvious competitive and political reasons; but, to give refiners some return, to ensure petrol prices remain high.

As a result, retail petrol price wars are anathema on the grounds that they must eventually put pressure on refiners' margins but cannot easily be prevented because of the 60,000 stations, only 3 per cent of which are owned and operated by the large oil concerns.

The rest, like Lions Petroleum with its half-dozen outlets, are independent, buying from the majors.

Regular grade petrol is sold at the pump in Japan at about Y140 per litre, probably Y10 to Y20 higher than a representative price for imported petrol, *if it were available.*

If petrol imports were liberalised at a stroke, the principal beneficiaries would be the international concerns such as Shell and Exxon, whose reserves and facilities exceed those of their Japanese counterparts, and Miti is obviously nervous about putting Japanese companies at a competitive disadvantage.

Gatt told to stress free trade advantages

THE GENERAL Agreement on Tariffs and Trade yesterday was urged to undertake a major programme of self-promotion in order to better support the principles of free trade and curb the rise in protectionism, **Frank Gray reports.**

A report* by the Trade Policy Research Centre in London said a Gatt promotion should stress the favourable aspects of trade liberalisation, *such as its positive effects on* curbing unemployment and the fact that it generates more commerce.

In putting the onus on the Gatt secretariat and on member countries of the Geneva-based trade organisation, the report called for the following steps:

● *The Gatt annual meeting* should be opened to private businessmen, as are the annual meetings of the World Bank and the IMF, and regional development banks.

● The resources of the Gatt, small in comparison with many UN agencies, should be *increased to help the organisa*tion meet its information and education function.

The report observes that the Gatt is suffering from the *growth of illegal and tacit* devices to restrict trade by member countries such as so-called voluntary export-restraint agreements.

"*If governments intrude* further into the business of determining market shares (as has been the case with textiles, *footwear, steel, cars and con*sumer electrics), it will become more and more difficult for them to maintain good relations with one another," the report claims.

* *Has the Cavalry Arrived? A report on Trade Liberalisation and Economic Recovery. Trade Policy Research Centre, 1 Gough Square, Fleet Street, London EC4A 3DE. 127 pages; £3.50.*

Moscow resists Argentine grain pact

By Jimmy Burns in Buenos Aires

A HIGH-LEVEL Soviet trade mission headed by Mr Victor Ivanov, *the deputy minister for* foreign trade, left Buenos Aires on Tuesday having apparently refused any firm commitment to a renewal of a five-year grain agreement which expires this year.

Mr Ivanov said: "The Soviet Union is prepared to maintain its trade relationship with Argentina as long as this takes into account both *Soviet* and Argentine needs."

The Soviet Union is understood to be poised once again to become the main purchaser of Argentina's key commodity having bought or ordered an estimated 7.5m tonnes of grain from this year's harvest. This is in line with the Soviet Union's purchases from Argentina in the years *following the Carter* embargo and well above the 4.5m tonnes stipulated in the five-year agreement.

But the Soviet Union is unwilling to bind itself to a new five-year contract in the face of inconclusive negotiations about its enormous trade gap with Argentina. Last year Argentine exports to the Soviet Union were \$1.6bn compared to imports of \$40m according to provisional figures released by Mr Ivanov.

Although no details emerged publicly at this week's discussions, the Soviet mission is understood to have once again raised the possibility of supplying Argentina with turbines and exploration equipment for *Argentina's planned hydro*-electric, gas and oil projects.

They have also been bidding for participation in a port development project in the southern coastal town of Bahia Blanca.

Sr Ricardo Campero, the Argentine under-secretary for foreign trade, said earlier this week that improved trade relations with the Soviet Union should be considered a key to Argentine trade policy in the coming months.

A five-year development stra*tegy elaborated by the Alfon*sin Government last month singles out a more efficient exploitation of the country's natural resources, principally through additional imports of turnkey equipment, as the lynch-pin of economic recovery.

Voest-Alpine clinches Sch 10bn steel cord deal in Soviet Union

BY PATRICK BLUM IN VIENNA

VOEST-ALPINE, the Austrian state-owned steel, engineering and electronics group, has won a Sch 10bn (£400m) turnkey contract to build and equip a new steel cord manufacturing plant at Shlobin in Byelorussia, in the western part of the Soviet Union.

The contract was signed yesterday in Moscow by the president of Voest, Dr Heribert Apfalter, and Metallurgimport, the Soviet trading company for *mechanical equipment.*

It is the most valuable single contract ever signed by an Austrian company. Work is expected to be completed in 34 months.

Fine steel cord is used in the production of radial tyres. The plant will use steel manufactured by a compact steel works at another plant in Shlobin also *constructed by Voest* which was opened last November by Dr Fred Sinowatz, the Austrian Chancellor, during a visit to the Soviet Union. That contract was worth Sch 9bn for the company.

Voest says it was awarded the contract against fierce competition from a number of West European companies because of its good performance in building the compact mill.

Voest has had a long involvement in Eastern Europe and the Soviet Union. In 1983 the Comecon accounted for 29 per cent of total sales, higher than for Austria (28 per cent), overseas (22 per cent) and sales to *the EEC and Efta (19 per cent).*

● The Soviet Union has signed an agreement worth \$100m with the *Italian company* Cogolo for the construction of three *footwear* factories, **Patrick Cockburn reports from Moscow.**

The contracts are on a turnkey basis, part of a growing trend in the Soviet Union, and are for completion by the first quarter of 1987. Each factory will have an annual output of 2m pairs of women's, children's and men's shoes and will be built in Moscow, *Kaluga and* Togliatti.

U.S. electronics group to build wafer plant in Ireland

BY BRENDAN KEENAN IN DUBLIN

A LEADING U.S. electronics company is to establish an £I£180m (£157m) wafer-fabrication plant in the Irish Republic. The factor, which is expected to employ over 1,000 people by 1991, is one of the largest eltctronics investments ever made in Ireland.

The managing director of the Irish Industrial Development Authority (IDA), Mr Padraic White, said it confirmed that Ireland could support the most sophisticated sectors of the *electronics industry.*

The project will also be one of the most expensive for the Irish taxpayer, although Mr John Bruton, the Industry Minister, *would not confirm that* the total grant aid will come to I£60m. He did say that the company — Advanced Micro Devices (AMD)—would be putting up most of the money. Mr Whtie said Ireland's package was not the most generous in cash terms that AMD could have received.

It is understod that another major U.S. investment, involving the *Mostek Company,* is on the way, and both IDA and the Irish Government are aware of the growing costs of attracting capital - intensive high technology companies.

Mr Bruton said he was examining how the Irish capital market could be developed to incorprate private investment in industrial development of this kind.

The project would be carefully monitored by the Government to ensuer that its manpower and skill requirements could be met within Ireland, so as to provide the maximum benefit for the country.

The new plant will be situated in Greystones, about 15 miles south of Dublin. AMD is the ninth largest semi-conductor company in the world

UK NEWS

Record N. Sea licensing round nets £121.3m

BY DOMINIC LAWSON

THE GOVERNMENT yesterday revealed that the U.S. oil company Amoco has led the field of the North Sea's big spenders, with bids totalling over £31m for three North Sea blocks auctioned in the ninth round of oil and gas licences.

In all, the 13 cash tender blocks fetched £121.3m for the Treasury, a record haul for a North Sea auction. The highest single bid came from British Petroleum, which is paying £25.5m for the licence to block 15/18b.

Unusually, Amoco has been awarded its three blocks, 3/6b, 3/17 and 15/23b with no partner involved.

It is believed that in the case of at least one block 3/17, for which it has paid £11.5m, Amoco's partners were to have been ICI and Rio Tinto Zinc.

The two British companies evidently thought the bid price excessive and so dropped out.

Mr Howard Dalton, Amoco UK's managing director, said yesterday: "our partners chose not to bid on the blocks, but each company must assess the risks in its own way." Mr Dalton added that the high cash bids showed Amoco's firm commitment to North Sea exploration.

BP's £25.5m payment for block 15/18b has been received with some surprise in the oil industry. It shares the block immediately to the north in a 50–50 partnership with National Iranian Oil Corporation and this is already earmarked for possible development.

There were some surprising absences from the list of successful bidders, most noticeably Shell and Esso, the world's two biggest oil companies which act in partnership in the North Sea.

They were outbid in an auction that attracted higher bids than expected.

Another unsuccessful bidder was Santa Fe, the multinational oil corporation owned by the Kuwait Petroleum Corporation. The Kuwaitis were expected to bid aggressively.

The Government confirmed that Sumitomo had become the first Japanese company to take a stake in the North Sea, as part of a Conoco-led consortium bidding £11.5m for block 9/8b.

BT chief joins bank review committee

By Our Financial Staff

MR Deryk Vander Weyer, the vice-chairman of British Telecom, is to be the outside consultant on the committee set up by the Treasury to review bank supervisory practices in the wake of the rescue of Johnson Matthey Bankers last year, Mr Nigel Lawson, the Chancellor of the Exchequer, confirmed yesterday.

Mr Vander Weyer was formerly deputy chairman of Barclays Bank.

The committee, which is headed by Mr Robin Leigh-Pemberton, the Governor of the Bank of England, has already begun its investigations and is to report on what changes, if any, are needed to strengthen UK bank supervision.

The Bank of England is still trying to finalise details of a £150m indemnity agreement with the clearing banks which will make funds available to meet any losses sustained by Johnson Matthey Bankers over and above its £170m in capital.

Although the Inland Revenue has agreed on the tax treatment of any pay-out made under the indemnity, the signing of the agreement has been subjected to further delays.

Commons committee criticises new policy on defence financing

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

NEW POLICIES on defence financing adopted by Mr Michael Heseltine, the Defence Secretary, were severely criticised yesterday by members of the all-party House of Commons Select Committee on Defence.

Conservative MPs, including the committee chairman Sir Humphrey Atkins, expressed irritation with and scepticism of explanations of the new policy from senior defence ministry officials.

Mr Keith Speed, the former Navy minister who resigned over naval cuts in 1981, labelled the policies "bloody-minded" while Mr Michael Mates castigated officials for giving "wholly inadequate" answers on their likely effects.

At issue was Mr Heseltine's contention that much more flexibility exists in the defence budget than is generally thought and that therefore pressures for cuts in defence spending are greatly exaggerated. The flexibility arises principally because, as Sir Clive Whitmore, the permanent under-secretary at the MoD told the committee last month, half the defence equipment budget is held to be uncommitted "three years from now" with 90 per cent uncommitted ten years ahead.

Yesterday a team of senior officials from the MoD, led by Mr Michael Gainsborough, the assistant under-secretary in charge of programmes, sought to relate the new Heseltine policy to the future plans for the Navy.

Persistent questioning from MPs elicited that these plans included a shipbuilding programme of £700m (excluding the Trident nuclear deterrent submarines) over the next five to six years, and over the next decade or so a £1,400m programme to develop a new helicopter, more than £2bn for new torpedoes and £1,200m–1,500m on new or improved missiles.

However, Mr Gainsborough doggedly refused to confirm that all or even most of the items in the programmes were as yet firm commitments. That even included, he said, a list of eight ships which the junior defence minister, Mr John Lee, had told parliament last month were to be ordered this year.

Mr Gainsborough acknowledged that a decision to go to tender – as has already happened with several of the ships – indicated an intention to order. But only when a minister actually ordered a ship or weapon system was the government committed to it, he said.

Booker bid by Dee can go ahead

By Alexander Nicoll

THE MONOPOLIES and Mergers Commission ruled yesterday that Dee Corporation, Mr Alec Monk's rapidly-expanding supermarkets group, may relaunch a bid for Booker McConnell, the food wholesaling, health products and agribusiness concern.

Dee's contested £232m offer for Booker lapsed when it was referred to the Commission last June. After examining the potential effects of a merger, especially on competition in the wholesale cash and carry food market, the panel determined that it "may be expected not to operate against the public interest."

Dee, which holds 19.8 per cent of Booker, made no move yesterday to resume the attack. It said only that it was not surprised by the decision, and that it was studying the report. Booker, which has rapidly streamlined itself during the Commission inquiry, said it "envisages an exciting and successful future as an independent company."

Because the Commission did not recommend baring a merger, Mr Norman Tebbit, Secretary of State for Trade and Industry, had no opportunity to overrule its decision.

Bank of Scotland sets up home video bank service

BY DAVID LASCELLES, BANKING CORRESPONDENT

BANK OF SCOTLAND yesterday became the first UK bank to move into the new world of home video banking. Its Home Banking service will enable people to perform a variety of banking transactions using their TV sets hooked up to the telephone. It also offers electronic cash management for small businesses.

BoS' service allows customers to pay regular bills, such as utilities and credit card accounts, switch cash among a current and high yielding investment account, obtain account information and arrange for statements and new cheque books to be sent.

They cannot, however, perform two of the most basic banking tasks: withdrawing cash or writing cheques.

The service is not the first of its kind in the UK. Two years ago, the Nottingham Building Society launched its Homelink scheme, though it has yet to say how many people it has signed on or whether it is making money.

Other UK banks have been wary of starting video banking services because of the huge cost and doubtful acceptability among consumers.

● Britain's large clearing banks are expected shortly to revive a long-planned pilot project on cashless shopping.

Their decision, due to be announced soon, follows a six month review of the case for EFT/POS (electronic funds transfer at point of sale) after several had doubts about the viability and cost.

Company Notices

PECHINEY UGINE KUHLMANN INTERNATIONAL N.V.

EUA 20,000,000
8¼% 1974/1989

We inform bondholders that the EUA 1,500,000 redemption instalment due on February 22 1985 was partly met by purchases in the market.

For the redemption of the remaining amount of EUA 1,474,000 due, a draw by lot took place in the presence of Madame Jeanne Houser, notary public in Luxembourg.

Consequently, the 1,474 bonds of EUA 1,000 numbered:

2732 to 4576 inclusive

taking account of numbers already drawn for preceding instalments, will be redeemable at par, coupons at February 22 1986 and subsequent attached, as from February 22 1985 date at which they will cease to bear interest.

Redemption and payment of interest will take place at the following Banks: CREDIT LYONNAIS, Luxembourg—KREDIETBANK S.A. LUXEMBOURGEOISE, Luxembourg—CREDIT COMMERCIAL DE FRANCE, Paris—PIERSON, HELDRING & PIERSON, Amsterdam—BANQUE BRUXELLES LAMBERT S.A., Brussels.

It is recalled that the following bonds previously drawn by lots, have not yet been presented for repayment.

February 22 1979:
Nos. 9651, 9664, 9665, 9666, 9667.

February 22 1984:
Nos. 7376, 7391 to 7392, 7411 to 7414, 7420 to 7422, 7427, 7440 to 7443, 7447, 7474 to 7478, 7484 to 7486, 7527, 7646 to 7647, 7668 to 7674, 7680 to 7684, 7691, 7694 to 7696, 7699 to 7703, 7712 to 7719, 7728, 7784 to 7788, 7804 to 7805, 7827 to 7836, 7911 to 7919, 7921 to 7925, 7957 to 7958, 7972, 7997 to 8006, 8069 to 8075, 8106, 8116 to 8136, 8143 to 8147, 8152, 8164 to 8165, 8245 to 8253, 8273 to 8274, 8278 to 8279, 8304, 8318 to 8320, 8323 to 8326, 8329 to 8334, 8334 to 8337, 8341, 843, 8354 to 8356, 8377 to 8372, 8419, 8428, 8334 to 8337, 3841, 8343, 8354 to 8457 to 8464, 8475 to 8480, 8482 to 8484, 8786 to 8787, 8850, 9003 to 9010, 9040, 9043 to 9060, 9062, 9076, 9088 to 9104, 9199, 10028 to 10035, 10037 to 10058, 10059 to 10064, 10066, 10068 to 10072, 10082, 10095 to 10096, 10095 to 10098.

Amount remaining in circulation after this eleventh instalment: EUA 11,100,000.

The Fiscal Agent
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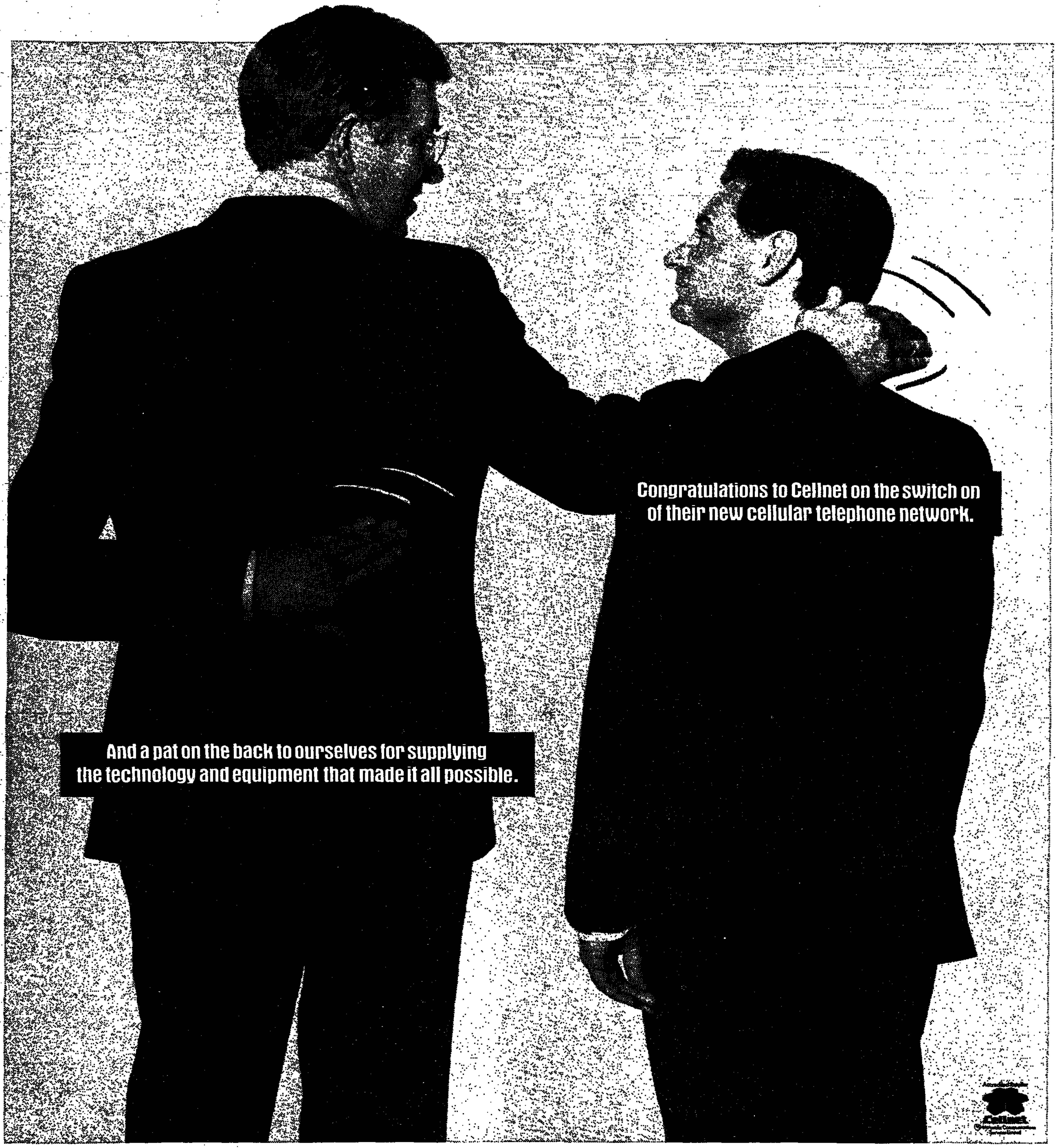

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MOTOROLA

Employers urge Lawson to cut taxes by £2.2bn

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

TAX CUTS worth £2.2bn in 1985-86 and £3.9bn in a full year were urged yesterday by British employers in *their budget submission to Mr Nigel Lawson*, the Chancellor of the Exchequer.

The largest item on the list proposed by the employers' body, the Confederation of British Industry (CBI), is for a 10 per cent increase in personal tax allowances in addition to the rise needed to keep pace with inflation. This would cost £1.7bn in a full year.

Other main proposals include: improved capital allowances to be set *against corporation tax; partial relief* from rates (property taxes) for businesses and abolition of capital gains tax on stocks and shares held for more than seven years.

The CBI believes that these measures and a number of smaller concessions it proposes would help to stimulate business activity and help *create more jobs in the medium* term.

Increased economic activity, producing more tax revenues, would partly offset the cost of the measures, it says, and after this "feed-back" effect is taken into account public sector borrowing next year (1985-86) would be increased by *about £2bn and by about £3bn in* a full year.

In its economic assessment, the CBI says that, assuming the miners' strike ends, growth in 1985 should be about 3½ per cent after about 2½ per cent in 1984.

This would not be enough to have much impact on unemployment, however. Although the CBI expects consumer spending and investment to sustain the economic recovery this year, it notes that its surveys have shown that a high proportion of companies have cited "uncertainty about demand" as the main restraint on their investment plans.

In its assessment of medium-term prospects, the CBI says a number of measures are needed to *encourage a steady growth rate of* 3 per cent a year with low inflation. These should be aimed at encouraging enterprise and investment, improving competitiveness and holding down costs.

At the same time, industry and the labour markets would need to deliver pay settlements lower than *in competitor countries, continued* productivity improvements and investment in innovation. The Government should contribute by reducing taxes and cutting costs.

In spite of a general improvement in industry's competitive performance, the CBI says further progress is needed: "As a consequence of poor competitiveness, Britain's share of world trade in both goods and services has been declining. Exports only grew in 1984 because world trade was growing even faster."

It says: "Take exports to the U.S. Helped by the strong U.S. dollar and the rapid growth of the U.S. economy, UK exports rose by 23 per cent by volume over the year to *mid-1984*. West German exports grew by 51 per cent over the same period. At home, the latest figures on import penetration show that in 1983 imports of all manufactured products accounted for 31.4 per cent of home demand, a rise of 2.2 percentage points on 1982."

In broad terms, the CBI endorses the Government's strategy for defeating inflation and holding down public sector costs to make room for reduced interest rates and a lower tax burden. It says that its budget proposals can be accomodated within the Government's medium-term financial strategy.

It says, however, that more economies in the public service are needed, with savings building up to a possible £6bn a year. This money should be released for increased spending on the infrastructure. The CBI says this spending is needed to help improve business efficiency.

1985 CBI Budget Representations to the Chancellor "Make It Work;" £3; Confederation of British Industry, Centrepoint, 103 New Oxford Street, London WC1.

Chinese community faces language bar to integration

BY RICHARD EVANS

BRITAIN's 100,000-strong Chinese community faces much more for*midable barriers to full participa*tion in the country's business, social and cultural life than is generally appreciated, according to a House of Commons report published yesterday.

Five major factors – lack of English language, ignorance of British law and welfare services, cultural differences, scattered settlement and long anti-social working hours – are seen as key reasons why the Chinese – Britain's third largest ethnic community – have failed to integrate effectively.

The Commons Home Affairs Committee, following a year-long investigation, emphasises, however, that it would be misleading to convey too negative a picture of the Chinese in Britain.

"Many Chinese have prospered ... and the expansion of the catering trade is testimony to the enterprise and hard work of the community. They have an impres*sive capacity for self-help, which is* one reason why their difficulties have gone unvoiced and unrecognised, and their activities benefit the wider society in various ways," the report says.

The biggest problem MPs found was difficulty with the English language. Unofficial estimates of the proportion of first generation immi*grants unable to speak English* range from 65 to 75 per cent.

One of the main recommendations of the committee is for local *authorities with sizeable Chinese* communities to improve the teaching of Chinese, particularly Cantonese, together with the development of better interpreter services.

Lack of English is the chief cause of another underlying problem – ignorance of British law and social services. Not only do many Chinese have difficulty claiming their rights, but they are often unaware of what social security, housing, employment and other rights they have.

Different cultural attitudes mean a preference for self-help and a reluctance to complain.

Two further difficulties result from involvement in catering – estimates put the proportion employed in restaurants or takeaway facilities at about 90 per cent. This *means that the Chinese population* is dispersed and tiny compared with the total population in any one area. It also results in long and unsocial hours which make it harder to mix with a wider society.

Second report of the House of Commons Home Affairs Committee, 1984-85; SO: £6.90.

Firm line urged on abuse of immunity

By Nicholas Colchester

AMENDMENT of the Vienna Convention on Diplomatic Relations is not a practical solution to the problem of the abuse of diplomatic privileges, according to a report from the House of Commons Foreign Affairs Committee, published yesterday. But the British Government *should be tougher in the way it ap*plies the convention, the committee says.

The inquiry into the abuse of diplomatic immunity and privileges was prompted by the shooting of a British woman police officer monitoring a demonstration outside the Libyan Embassy in London in April 1984. This provoked concern about the lack of sanctions against diplomats who broke the law.

Concern was reinforced by the attempted kidnapping, last May, of Mr Umaru Dikko, a former Nigerian Government Minister, with the apparent complicity of staff of the Nigerian High Commission in London.

In general, the committee endorses the Government's handling of the Libyan affair, and the conclu*sions drawn from it, and praises ac*tion in the Dikko case.

The committee feels, however, that the Government should have been tougher with Libya between 1979 and 1984 when Libya began to flout the Vienna Convention by failing to name a head of its "people's bureau," and when revolutionary students took over the bureau in February 1984.

The Government should have threatened to remove diplomatic status from the bureau building in London, and should have limited the size of the mission.

The committee recommends various ways in which the existing Vienna Convention might be applied more rigorously. It suggests that diplomatic bags should on occasion be scanned electronically for weapons or other contents not provided for under the convention.

The Foreign Office is concerned that this might lead to retaliation which could interfere with the delivery of coding material to British embassies abroad.

Seeking amendment of the Vienna convention is dismissed as impractical.

FT CONFERENCE

Asset stripping of pension schemes 'increasing in UK'

BY ERIC SHORT

ASSET STRIPPING of pension schemes – the refund of surplus from pension schemes to the parent company – was now being widely practised in the U.S. and was becoming more common in the UK, claimed Mr Brian Tatch, a senior partner with the consultant actuar*ial firm Clay and Partners.*

He told delegates on the second day of the Financial Times conference held in London – Pensions in 1985 – that during the first nine months of last year about $1bn of assets had been refunded from schemes to parent companies in the U.S., more than double the amount for the whole of 1983. Some two out of three schemes in 1984 had made refunds, compared with only one in two schemes in 1983.

He described how a liberal attitude by the U.S. authorities was allowing employers to strip out the surpluses arising in pension schemes from high investment returns.

Mr Tatch said that asset stripping in the UK arose in two distinct contexts. The first came in a takeover and merger situation, the second with the comparatively recent phenomenon whereby large surpluses were produced by company final salary pension schemes.

For ongoing schemes in the UK, the ability of employers to obtain refunds from their pension schemes depended on the rules of the scheme allowing such refunds and the attitude of the Superannuation Funds Office (SFO) of the Inland Revenue in permitting them.

The main theme of the morning session dealt with the current speculation on loss of pension tax concessions in the forthcoming budget.

Mr Peter Shore, a member of the Labour Party's Shadow Cabinet, told delegates that although very little had been officially said by Mr Nigel Lawson, the Chancellor of the Exchequer, he believed that he had been giving serious consideration to cutting back on pension tax privileges both on the grounds of fiscal neutrality and because of his need to enlarge the tax base.

He expressed his opposition to any changes in the present tax structure including any moves to impose a tax on lump sum retirement payments. He called for a full independent inquiry into all aspects of pensions, and criticised the Government's current review of pensions, which was *neither independent nor comprehensive* since it did not include taxation aspects in the inquiry.

Mr Eric Rogers, deputy chairman of the Occupational Pensions Board, warned the Government that tax changes would seriously affect the contracting-out requirements. If the Government imposed a tax on investment income of pension funds, then it would have to allow a higher rebate than at present on both *employees and employers'* National Insurance contributions. Such a move would have severe implications for the funding of the National Insurance Scheme.

Mr Dryden Gilling-Smith, managing director of pension consultants EBS (Management), told delegates that there was a need for *more incentives for private pension* provisions, not fewer.

Mr John Chown, chairman of J. F. Chown and Company and an *executive committee member of the* Institute for Fiscal Studies, offered a conservative view on tax changes. He said that the Chancellor had only one real practical option and that was to impose a tax on the investment returns of pension schemes. He warned the Chancellor that the benefits of any move to tax lump sum retirement payments would accrue to a future Labour Chancellor.

Mr Brian Symonds, Sales Development Manager of Sun Life Assurance Society, *in supporting the Gov*ernment's personal pension proposals, outlined an administrative system for making the proposals easy to understand and to operate. Mr Maurice Oldfield, group executive director of Allied Lyons, attacked the whole concept of personal pensions as unnecessary and disruptive. He claimed that the proposed system would undermine company pensions without offering anything new in its place. Mr John Selley, a partner with the law firm Sacker and Partners, described to delegates the legal problems currently facing the pensions industry, many of them arising from proposed changes in government legislation.

Bedford suffers bigger deficit

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BEDFORD, General Motors' commercial vehicle subsidiary, last year *suffered a loss even greater than* the 1983 deficit of over £50m, Mr J. T. Battenberg, general manager, said yesterday. The company expects to show an operating profit – the first since 1979 – next year, however.

Bedford's major capital investment programme, concentrated mainly into 1984, and the cost of the recently-announced voluntary redundancy and early retirement programme, contributed heavily to last *year's loss.*

Bedford's van and related production facilities were spread among 13 buildings at Luton but have now been relocated within two buildings where the company has spent £25m on facilities and £25m on tooling. Mr Battenberg maintained yesterday, *at the inauguration of the* plant, that "this represents one of the finest examples of industrial regeneraton to be found anywhere in our industry."

The £12m painting facility within the plant can handle 30 vans of all sizes an hour, or well over 100,000 a year. However, the new assembly hall currently has a capacity of 15 vans an hour which will be expanded gradually when necessary.

Bedford expects to build about *26,000 vans this year against* 16,000 in 1984. Production will be boosted in 1985 by the introduction of the Midi van, based on the one-tonne WFR vehicle produced by Isuzu, GM's 34 per cent-owned associate in Japan, but which Bedford re-engineered for Europe at a cost of *£20m.*

By the end of February, output of the Midi, which began in August, should be running at an annual rate of 15,000. Exports are expected to take 30 to 40 per cent of Midi output, and Bedford has high hopes for the vehicle in France and Italy.

Mr Battenberg said that Bedford was still considering the possibility of building another Japanese-based van, a "micro" vehicle based on a design by another GM associate, Suzuki. *So far, however, no deal* has been concluded.

Bedford announced last week that it is to shed a further 487 jobs, or roughly 6 per cent of its present workforce of nearly 8,000.

Sports goods maker cuts staff after heavy losses

BY JAMES McDONALD

GRAYS OF CAMBRIDGE, the long-established sports equipment specialist, is reducing its workforce and closing one of its three factories because of heavy trading losses last year caused by competition from cheap imports.

Out of a total workforce of 115, 74 are being made redundant at the Cambridge factory. The Pershore plant will close at the end of March – apart from a small section making bowls, renovations and testings. The Robertsbridge factory will continue with a reduced staff.

Grays, established in 1855, will continue as a family-owned concern, with the Gray family remaining directly involved in the day-to-day running of the group which includes the successful Gray-Nicholls subsidiary and the Cambridge factory – now the major site of traditional squash manufacture remaining in the UK.

Grays' financial problems came to light early this month when it sold John Wisden, owner of Wisden Cricketers' Almanack, for £400,000 to McCorquodale, a security printing and packaging group.

The almanack is a profitable operation but Grays was experiencing a downturn in its sports equipment sectors and a cash shortage.

TECHNOLOGY

EDITED BY ALAN CANE

FACSIMILE TRANSMISSION WILL HOLD ITS OWN IN MODERN COMMUNICATIONS

Quick scan of the fax market

BY GEOFFREY CHARLISH

FACSIMILE TRANSMISSION, or fax, looks set to carve a more substantial niche in a document communications market containing such technology as modernised telex and communicating terminals of one kind or another—including personal computers.

In fax, a document dropped into the slot of a sending machine will come out of a compatible unit almost anywhere in the world in a minute or two if a phone connection can be established between the two.

But non-compatibility has been a restraining factor in the past as the various "Groups" (see box) have emerged. Machines cannot always talk to *each other. In addition, inter*ference on the phone lines can produce degraded copy.

If there is no question of having to key the text in the first place, and certainly if it contains detailed graphics or vital executive signatures, facsimile transmission might prove invaluable. The alternative might be the postal service.

But the "critical mass" problem exists for fax, as it has for communication systems throughout time. Unless most of one's addressees have machines, and they are compatible, the value is severely diminished.

If, after World War 2, facsimile had been the only offering for text transmission, it probably would have burgeoned. But the telex service was further developed and more recently, communicating computers (big, and then small) have been offering further methods of keyboard communications.

According to market researchers Frost and Sullivan*, in the UK there were (early 1983) some 92,000 telex machines, about 5,000 communicating word processors, 35,000 videotex terminals (assumed to have access to electronic mail services), and 10,000 text-capable computer terminals. The fax terminal population was estimated at 16,000.

An average of the various estimates of the present UK fax machine count puts it in the 25,000 region, with a growth rate certainly in excess of 10 per cent a year.

By contrast, in Japan the installed base will soon have reached 0.5m and has been growing several times faster—largely because keyboards for Japanese characters are highly impractical. The strong home market has given the Japanese dominance in business document fax in the West, so that even original pioneering companies like Muirhead are now badge-engineering units from OKI, for example.

Muirhead is the only manufacturer of fax in the UK and holds a strong position in the newspaper, meteorological and military areas. It sold the first newspaper whole-page fax machine to a Japanese paper, *Asahi Shimbun, in 1959 and* has since supplied most of Fleet Street, including the Financial Times (for transmission to its Frankfurt printing centre).

In office fax, Japanese companies like Canon, NEC and Panasonic (Matsushita) are now marketing units directly and the prospects for European-made units have sharply reduced.

On the other hand, the outlook for the business fax market as a whole is improving. Better technology and higher production are tending to bring prices down—at 20 per cent a year according to one source.** The equipment is getting more versatile and transmission times are reducing.

In early machines the illuminated document, wrapped round a drum, was scanned in horizontal lines by a photocell to turn the light and dark variations of text or graphics into a stream of corresponding, continuously varying electrical signals. The systems could deal with shades of grey but were slow and expensive. A synchronised drum at the receiving end would reconstitute the image on light-sensitive paper using the same information in a modulated light beam.

These basic ideas remain, but *more modern units examine* each scan line in tiny steps (pixels) and allocate a digital code to each light value found. Most look only for either black or white, greatly reducing the amount of information that need be sent and reducing either the sending time or the *bandwidth (information rate)* of the transmission.

Reproduction is better, too, most machines using thermal paper on which a modulated hot stylus makes clear black impresssions.

Newer systems also use bandwidth compression, an electronic / statistical technique which for example, allocates shorter digital codes to more frequently sent data, cutting the data rate. (On the same basis a single "dot" is the Morse code for "E," the most-used letter in English).

Thus the image is converted to computer-like data and can be processed and stored and, in *the public digital telecoms* systems now emerging, transmitted. This is important because it means fax is joining the digital world now crystallising in which for transmission, switching and processing purposes, speech, data, text, graphics and TV will all take the same form. IBM has for 18 months been selling the 8815 Scanmaster, a £10,000 machine which allows images to be electronically stored, *transmitted and printed in* just the same way as data and keyed text.

Along the way, however, these developments *have produced* old/new equipment compatibility problems—there is as yet no fax equivalent of simply picking up the phone and talk*ing to someone at the other* end. For example, there are three groups of machine types within the installed base (see box) and they may be automatic *or manual.*

Although the market is gravitating towards Group 3 (which sends an A4 sheet in one minute), a Group 4 (five seconds over digital networks) is being formulated and there is even talk of Group 5.

The Post Office has recently *set up public services that allow* those without fax machines to leave their material at one of 130 regional offices for transmission to recipients with *machines*, and vice versa. Late in 1984 a service to link in personal computers was announced.

Further likely *developments* will be machines linked to telex and its fast, forthcoming successor, teletex. Some terminals will allow fax material to appear on the screen as well as normal computer material.

As with almost everything in technology nowadays, the answer lies in the *software.*

Two useful information sources are:

*Electronic Mail and Facsimile Services in Europe, Frost *and Sullivan*, London (01-486 8377).

**Facsimile, The Eurodata Foundation, London (01-638 3702).

FAX SUPPLIERS IN UK

Canon UK, Croydon	01-680 8880
3M (UK), Putney	01-788 7771
Kalle Infotec, Hounslow	01-570 7712
Interscan, Slough	0753 70821
Mitsubishi Electric UK, London WC1	01-379 7160
Muihead Office Systems, Beckenham	01-650 4888
NEC, London NW1	01-388 6100
Panasonic, Slough	0753 75841
Pitney Bowes, Harlow	0279 26731
Plessey, Mitcham	01-646 4141
Rank Xerox, Uxbridge	0895 51133
Siemens, Sunbury	09327 85691
STC, Sidcup	01-300 7788

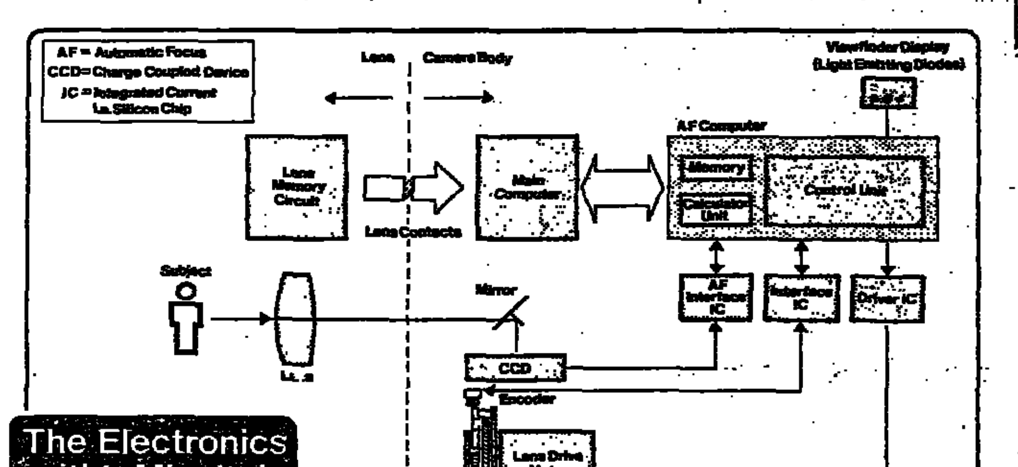
FACSIMILE STANDARDS

- **Group 1: 1968, last amended 1976. Sends an A4 sheet at 100 lines per minute in six minutes, or at 67 lines per minute in four minutes. Low cost low volume use, few machines now being made. Uses frequency modulation transmission.**
- **Group 2: Set in 1976 and sends A4 in three minutes at 100 lines per inch. Uses combination of amplitude and phase modulation of audio carrier. Some machines are *compatible with Group 1* and most Group 2 machines are compatible with each other.**
- **Group 3: 1980. Uses digital scanning, which allows transmission of a page in one minute. All Group 3 machines compatible, and some will talk to Group 2.**

MINOLTA UNVEILS THE LATEST IN PHOTO EQUIPMENT

Camera that's always in focus

BY ELAINE WILLIAMS



The Electronics within Minolta's 7000 Camera

MINOLTA has described *its* latest photographic product, the 7000, as the last breakthrough in conventional camera design. At five pence short of £300, the *single lens reflex (SLR) camera* is one of the most sophisticated, and expensive, on the market with the ability to focus accurately on a scene even if its owner is not.

The development comes at a time when the world photographic market is depressed. High technology products like video recorders followed by home computers have wooed consumers away from the gentle art of photography. Now camera *makers have decided to use the* same sophisticated technology to fight back.

At the heart of the 7000 camera are two tiny microcomputers and six other silicon chips which add up to the equivalent of more than 150,000 transistors. One eight bit com*puter and associated memory* takes data from all the other circuits to control picture taking.

The control computer calculates exposure levels provided by a chip which senses light levels, sends signals to another circuit which controls the *shutter release sequence*, takes information from a circuit which reads digitally encoded photographic film and controls the information display for the user. Other chips are used to wind on new films to their starting frame.

The second computer takes care of the auto *focusing*. It *can work out all the calcula*tions to produce a well focused image faster than a human photographer can adjust the lens focusing ring.

*Built into each interchange*able lens is a memory chip which tells the auto focus computer which type of lens it is and its state of focus.

The auto focusing SLR has been under development by Minolta for the last four years though a team of designers has been looking *at the whole prob*lem of automatic focusing for cameras for a decade. Minolta has a range of compact cameras which can focus automatically, *and talk to its owner*, selling for just under £80—as have many other companies including Canon—but maintains that this is the first time that highly accurate auto focusing has been used on the top range of SLR cameras.

The camera focuses by a *system called phase detection.* The object which is to be in focus is viewed through the centre of the lens. This is split into two images. These are projected onto an electronic sensor called a charge coupled device, CCD, which turns the light into a varying electrical signal. The two images have different phases if the image is not in focus.

The data from the CCD sensor gives the focus direction and the amount of lens movement necessary to bring everything in focus. If the photographer wants, for aesthetic *reasons, to have the main object away from* the centre of the picture, he can press a button which temporarily holds all the focusing information while he changes the position of the *object in the viewfinder.* When he takes the picture, the main subject will still be in focus.

The auto focus can work in the dark *as the Minolta* flash transmits an infra-red light which gives sufficient for the system to focus on to objects up to 5 metres distant.

As with many electronically-controlled SLR cameras, the Minolta 7000 offers three program modes—totally automatic operation where the camera's computers work out everything and the photographer presses the button; shutter or aperture priority automatic exposure; or *manual* control with electronic metering.

Other features include an automatic exposure lock which *is useful* when there is strong background light. The user approaches the subject and by pressing first the camera's operating button measures subject light levels and then the automatic exposure lock. Then when the subject is photographed from any distance, the camera *adjusts the exposure* to ensure that the subject is visible.

Minolta hopes that the 7000 is *simple enough for anyone* to use, if he wants to pay the price, but has enough flexibility and sophistication that a more experienced photographer would find exciting.

Testing

Ultrasonics for pipes

Available from Sonotest of Milton Keynes is a computer-based field unit aimed at speeding up the time-consuming and sometimes tedious task of preparing on-site ultrasonic test reports on piping and similar components.

The 2.2kg unit, called Siteplot 400, consists of keyboard, flat screen liquid crystal display, read-only memory storing graphical test report formats, and 208k of random access memory to store results.

When examining welds for example, details of up to 50 *defects or 350 defect-free* welds can be seen on the screen. This information can be stored so that when the user returns to his office the results can be produced on a dot matrix printer in A4 format.

The system can be used with any make of ultrasonic flaw detector and carries no obligation to purchase Sonotest units. There is no direct transfer of data between the two units—*the user builds up* the results on the screen via the keyboard. More on 0908 316345.

Materials

Polymer research

The first of the Science and Engineering Research Council's special directorates has been privatised. The Polymer Engineering Directotar will now be funded to a greater extent by the industry it serves.

...mer group was set up eight years ago by SERC to give special emphasis towards advanced technology polymer engineering and training.

FINANCIAL TIMES SURVEY

Thursday January 24 1985

Enormous public spending has improved living conditions but economic weakness is still the basic problem. A projected new national fund for development offers some hope.

Bid to escape the poverty trap

By James Buxton
Rome Correspondent

SOUTHERN ITALY is in a sorry state. It remains substantially poorer than the rest of Italy and contains some of the most deprived and crime-ridden pockets in Europe. Because it is economically so weak it cannot participate fully in the economic recovery Italy is now enjoying.

On top of that, the principal central government institution which sustains the South, the Cassa per il Mezzogiorno, is in liquidation, victim of a parliamentary ambush last summer which starkly demonstrated the mounting disenchantment of the rest of Italy with the South.

A successor body to the Cassa is now being discussed but it is far from clear what will emerge, and whether what does emerge will be workable.

Follies

The economic weakness of the South is Italy's fundamental problem. The Mezzogiorno, as it is called, makes up 40 per cent of Italy by area and 35 per cent of it by population but accounts for only 23.9 per cent of Italy's GDP. Its relative poverty prevents the country as a whole from being as rich as the prosperous north and centre would merit.

A harsh critic might argue that if it were not for the need to subsidise the South, Italy might not suffer so heavily from the evils of a colossal public sector deficit, heavy subventions to often inefficient state industry and lavish spending on not always deserved welfare benefits.

Yet it is wrong to see the South as an unnecessary appendage of Italy that could at any moment be dispensed with. "What the Mezzogiorno will be, Italy will be," wrote Giuseppe Mazzini, one of the architects of Italian unity, in 1872, and his words are truer than ever today. For the South not only gives the country its double identity as a part-Mediterranean, part-European country it also gives it many of its leading politicians and much of its bureaucratic tradition.

"Italy," two English historians wrote some years ago, "is a country with a European majority governed by a Mediterranean minority."

But despite that fact, the unity of Italy will still remain somewhat artificial if the gap in wealth between the South and the rest of the country cannot be bridged.

"From Rome came nothing. Nothing had ever come but the tax collector and speeches over the radio." That is what Carlo Levi wrote in Christ stopped at Eboli, his elegiac description of life in Basilicata before the 1939-45 war. His description of the dogged and fatalistic southerners, the mystery and superstition just below the surface, still stand. But Rome has since made amends.

Since the war Italian governments have operated one of the *biggest and most ambitious* development programmes for a backward area ever seen until the oil boom transformed Arabia. Its aim was to overcome the poverty and underdevelopment of the South — the fruit of centuries of "feudal" and inefficient administration and the malign facts of geography.

The policy was spearheaded by the Cassa per il Mezzogiorno, set up in 1950 to direct the "intervento straordinario" or exceptional intervention which the South was felt to merit. From then until 1982 it spent no less than L94,000bn (£40bn) at 1982 prices.

At first the emphasis was on infrastructure. The roads, dams and acqueducts that the Cassa installed are its greatest monument. Only 120 of the Mezzogiorno's 2,543 communes (towns and villages) had running water *after the 1939-45 war. Now* virtually all do. Marshes were drained and malaria eradicated —a development that on its own transformed life in the South.

But the Cassa and other state organs were less successsful in developing industry. Though much foreign investment was lured to the South, mainly to the parts closest to the rest of Italy, the big capital-intensive plants which the state erected were often ill-sited and generated relatively little spin-off employment.

The year 1974 was, in retrospect, a watershed for the Mezzogiorno. Major new investment began to peter out as the effects of the oil crisis spread. Some large plants closed, others were never completed: "We had given them cathedrals in the desert, they were left with the desert," one retired official in Rome commented recently.

National economic growth, a vital motor for the Mezzogiorno, became more spasmodic and patchy, and the opportunities for emigration — the South's melancholy safety valve — all but disappeared.

The great minds which had piloted southern development retired baffled and the Cassa *ran out of ideas. Blindly, it* pressed on with infrastructure work, *some of* it valuable, much of it superfluous. But the combination of the political imperative to spend money and the construction lobby's insistence on receiving it meant that 80 per cent of the Cassa's spending in 1983 went on public works.

Need

Perhaps nothing symbolises the follies of southern development more than the story of Gioa Tauro, a little town north *of Reggio Calabria*. In the early 1970s the Government decided to locate Italy's fifth integrated steel complex there. To this end more than 100,000 trees were uprooted, and an entire hamlet moved from the fertile plain north of the town.

By 1979 it had been realised that there was no sense in going ahead with the steel plant, given the state of the world steel market. But work to create the immense port that was intended to serve it—said to be the largest in the entire Mediterranean—went ahead anyway, as did construction of a reservoir to provide the non-existent steel plant with water.

The two projects, still under way, will cost well over L600bn.

Finally, a possible use was devised for at least part of the great harbour—building a vast coal-burning power station. All was settled, or so it seemed. *But then the local authorities*, on whom so much money had already been lavished, objected that this was not the kind of project they wanted and that the *additional* funds the Government was going to provide along with the station were grossly inadequate. The row is still going on.

Sig. Emilio Colombo, one of Italy's Christian Democrat leaders, talks to villagers in Basilicata

Southern Italy

The scandal of Gioia Tauro only further fuelled the anti-southerner feeling which has been mounting in northern Italy in the last two years, culminating even in physical assaults on southerners. Last August, when the by then already provisional existence of the Cassa per il Mezzogiorno came up for renewal, not enough MPs turned up to vote for it. The Cassa then went into liquidation.

It can still spend money and maintain its commitments, but it cannot commission new projects. Meanwhile, parliament is considering a Bill which would set up a new national fund for the development of the Mezzogiorno.

The fund would operate differently from the Cassa: instead of managing the construction of projects, it would function more as a development bank, approving and funding projects which would be proposed to it by other organisations — local authorities, other state institutions, even private-sector companies. These bodies would then be responsible for managing the projects. The fund would be *endowed with* L120.000bn to spend over nine years.

There is no certainty that the Bill setting up the fund will be approved in its present form, or even at all. And the provisional arrangements could easily continue for years. But if it were approved it would put much more responsibility for development on the shoulders of the local authorities, especially the governments of the eight regions which comprise most of the Mezzogiorno.

It is highly questionable *whether these bodies* have the capacity to draw up, let alone implement, projects. Their record of administration since most of them were established in 1970 has been *pitiful*, at least in Southern Italy. Any devolution to the regions would make it unlikely that inter-regional projects — such as the Cassa's great water schemes —would ever be proposed.

But the idea does have its supporters. The economist Prof Marizmo D'Antonio of the University of Naples admits that the local authorities are weak but believes the new system would force them to become more efficient.

"There is going to be a tremendous squeeze on public spending in the years to come and the taxpayers are getting more and more impatient. The only way we are going to get contributions from the state is if we demonstrate that we are spending the money well. This is almost the South's last chance. If this (new) law fails it will be the last of its kind."

There are other questions to be asked about the proposed fund. Even though the South as a whole has substantially lower income per head than the rest of Italy, there are several fairly prosperous parts of the Mezzogiorno, for example areas of Puglia. Do they still require assistance? Some people, such as Prof Sandro Petriccione of FIME, a state investment company for the South, believe the richer areas would be better off without the assistance they have been getting recently from the Cassa, with its emphasis on public works.

Grip

Is the fund the right means of dealing with the huge urban problems of Naples and Palermo, both under the grip of organised crime, or of the rural wretchedness of Calabria, where criminals also predominate?

The most telling criticism of the development policy Italy has employed in the South in the past 40 years is that it has reinforced the ingrained attitude of most southern Italians that if anything is going to be done it will be done from outside and from above.

The policy has done nothing to break down the social structure based on networks of clients who depend on a few big men in the political parties. This is not the climate that fosters individual entreperneurs and the launching of initiatives from below. Yet that is what southern Italy desperately needs.

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Closing the gap with the North is expected to take decades, as **James Buxton** reports

Economic breakthrough still awaited

"THE MEZZOGIORNO has been blocked since 1974. Since then there has been very little new industrial investment and some fo the big oil refineries and chemical plants have closed down. The economic recovery that is now under way in Italy is mainly in the areas that are industrialised. As the South isn't heavily industrialised, it isn't much affected by it.

"In the rest of Italy, new jobs are being created as people move out of industry into services, but service jobs spring up much more easily in mature industrialised areas than in places that have only been touched by industry. All the South can do is wait."

This is the stark view of the Mezzogiorno of Prof Pesquale Saraceno, head of SVIMEZ, the leading economic research institute concerned with the South. Is he too gloomy?

First, a glance at the statistics. They attest to the remarkable transformation that has been wrought in the Mezzogiorno since 1950—but also to the glaring differences with the rest of Italy.

Between 1951 and 1981 the proportion of the southern population (which now numbers 20m) engaed in agriculture fell by more than half from 56 per cent to 23 per cent. But the proportion of the labour force employed in industry has only risen from 13 to 17 per cent, and stands at about half the level for the rest of Italy.

But has the gap between North and South narrowed over the past 30 years? One way to measure it is by output per head measured in 1983 prices. They show that it increased by a factor of 2.02 in the Mazzogiorno between 1951 and 1983, while the equivalent figure for the rest of the country was a fractionally lower 1.93. In other words, the south did grow very slightly more quickly than the centre and north of the country.

Indeed, whereas output per head in the South was equivalent to only 53.2 per cent of the average output per head of the rest of the country in 1951, by 1983 this proportion had risen to 61.7 per cent.

But the gap is still so wide and would take many decades to bridge at current rates of growth. Indeed, between 1974 and 1983 the gap measured on this basis only narowed by 0.4 per cent.

The figures for output per head would have been far worse had it not been for the fact that no fewer than 4.5m people emigrated from the South between 1952 and 1983. This release valve is hardly available any more, and part of the consequence shows up in the statistics on unemployment.

Reserves

The rate of actual unemloyment — consisting of those without work plus those laid off — is considerably higher in the South than in the rest of the country: 14.1 per cent against 9.0 per cent in 1982, and on top of that the South contains reserves of people who are either prepared to work, or able to work but not looking for a job, which barely exist in the centre and North of Italy.

Altogether this means that in 1982 the South had a total reserve labour force of 24.7 per cent of the population of working age — compared with one of only 11.1 per cent in the rest of the country. And the southern birth rate is rising much faster than in the rest of the country.

Stark as the figures are, they conjure up a picture of a part of Europe where one's common assumptions about "normal" levels of unemployment and of underemployment cease to apply. For the fact is that in many little towns in the South there are very few possibilities of work at all.

It is therefore easy to comprehend why the politicians resort to the artificial creation of jobs — from creating additional policemen and dustmen in villages where there is little crime or litter, to the wholesale employment of nearly 100,000 foresters in Calabria.

There is a certain logic about the fondness of politicians for commissioning useless construction prospects—building unjustified industrial plants and high grade roads — just to keep people occupied.

The recipients of such charity are hardly going to complain — and they naturally reward their benefactors with votes. National politicians regard the Mezzogiorno as a reserve of voting power, the majority of it still marshalled by the Christian Democrats.

Ingenious means are found to subsidise voters: most of those 5.2m Italians who draw an invalidity pension — a figure that bears little relation to the number of invalids — are in the South. In the town of Enna in central Sicily the "disabled" pensioners outnumber the old age pensioners by 669 to 100.

Yet is the picture really as bleak as the figures and the anecdotes suggest? There is a great difference between different parts ofthe South. It has been calculated that the five richest provinces (or counties) in the South had output per head that in 1983 equalled 70 to 83 per cent of the average for the rest of Italy. On the other hand, the bottom five provinces (out of 34) ranged between only 45.6 and 55.6 per cent of the average.

Spontaneous

What has happened is that the post-war industrialisation of Italy — which consists mainly of small and medium-sized businesses developing spontaneously in previously mainly agricultural areas—has spread from the north east down the Adriatic coast. It has crossed into the assisted area of the Mezzogiorno at the southern fringe of the Marche, into Abruzzo and down into the heel of the country to cover most of Puglia.

The same process has been at work in parts of Campania—the hinterland of Naples—and in the flatter parts of Basilicata and in eastern Sicily.

This may not always be reflected in the statistics in a country where figures, however skilfully collated, are unreliable and where many businesses exist underground.

One of the few true indicaters of economic activity is the consumption of electricity. The figures presented by ENEL, the electricity authority, show that in the early part of this decade electricity consumption in the Naples and Palermo areas and elsewhere jumped by four or five per cent a year, when that of Turin and Milan was virtually static.

This suggests that a process of spontaneous development is taking place in several parts of the Mezzogiorno, which may not be recorded in the main statistics, as the peasant farmer gradually becomes an industrial entrepreneur. The electricity figures show the South growing substantially faster than the rest of the country in the last few years.

Is this enough to offset the gloom caused by the decline or stasis of large-scale industry in the South, by the horror of the urban decay of Naples?

The answer is no. As one might expect of such a large area, some places have made more of their opportunities than others. But the whole of the South suffers disadvantages due to history and geography that cannot easily be overcome:

In the end, it is hard not to agree with the conventional view that an area as generally poor as the Mezzogiorno does need special help. The more successful areas need less assistance. The problem is to find the most effective and efficient ways of helping the weaker zones. That is what the debate about the future of the Mezzogiorno should be about.

Reluctance to form co-operatives for more efficiency

Farmers struggle against soil and distance

AS THE SOUTH struggles through one of its worst winters in living memory, farmers face the bitter disappointment that the one natural factor which favours southern agriculture — the climate—has let them down. Arctic temperatures, massive snowfalls and flooding in lower river valleys have hit hard at crops and livestock in Italy's sun belt.

The Mezzogiorno's relatively low latitudes, and what this means in terms of sunshine, short winters and early springs, are fundamental for citrus fruits and for being first to market with all types of vegetables. The weather usually offers some compensation to an agriculture which is generally poorly served by geology and geography.

Mountains and hills make up 82 per cent of the South, compared to 73 per cent of the centre and north of Italy. Indeed, the Abruzzo and Molise regions are classified as being totally mountains and hills, while in both Basilicata and Calabria the figure exceeds 90 per cent. Only in Puglia, where 47 per cent of land rates as mountainous or hilly, do southerners enjoy some of the advantages of farming on the flat.

Poor soil structure and quality is another feature of the South, and the region's geological instability does not help. Much, however, has been done to combat erosion, through forestation, flood control and drainage, and significant advances have been made in irrigation and water resource management.

Distances are another problem. While southern farming profits from the sun, it pays a price for being far from markets. Italy's shape, long and thin and a nightmare for physical distribution planners, tends to maximise journey times and transport costs. Naples may seem a long way down the peninsula, but there is another 500 km before Reggio Calabria is reached. And operators at the southern extremes have no choice but to send their produce north.

Constraints

Yet southern agriculture is not only fighting battles against many adverse natural factors, it is also shackled to a formidable set of man-made constraints. Though there are some success stories, farming in the Mezzogiorno is generally inefficient, whether in terms of manpower, unit size or capital investment.

Agriculture in the Italian south employs too many people who product too little. Figures from the 1982 census show that there were 1.3m agricultural workers in the Mezzogiorno, about 52 per cent of the total national workforce in the sector. And while there has been a significant decline in agricultural employment, it has been less pronounced in the South. Between 1970 and 1982 the number of farmworkers fell by 27 per cent in the South, against a 31 per cent drop nationally.

Statistics for 1982 prepared by the Ministry of Agriculture show that the South generated just 35 per cent of gross national agricultural production, L12,982bn ($6.6bn) of the L37,409bn total. In the period 1970 to 1982 added value in southern agriculture increased by only 5 per cent (from L2,008bn to L2,117bn at 1970 prices), whereas in the centre and north the increase was 17 per cent (L2,893bn to L3,383bn).

Agricultural efficiency is severely handicapped by the small size of farming unit. Compared to an average of 8.5 hectares in the centre and north, itself very low, farmers in the South work areas which average a total of only 5.9 hectares and those figures hide the problem of fragmentation. Often farmers have to work parcels of land spread over considerable distances, partly the result of inheritance customs and laws which split property equally between children.

An astonishing record of 3.6 hectares per farming unit is held in the Campania region. Italians call them "handkerchiefs" of land.

Southern farmers' deeply-entrenched suspicion of others, sometimes an almost pathological fear of being cheated, coupled to an independent streak, has limited the acceptance of co-operatives. The Left-wing Lega Nazionale Co-operative e Mutue says that only 18 per cent of its members are in the South and a similar situation exists in the Christian Democrat Confederazione Cooperative Italiane.

By clinging to family and to what is often a false independence, given the level of financial assistance and featherbedding which agriculture receives, southern farmers are rejecting a co-operative alternative which offers concrete possibilities of over-coming some of the disadvantages inherent in small unit size.

Co-operation would enhance marketing capability and improve the returns from capital investment in plant and equipment.

Backwardness on the commercial side, a lack of feeling for what the consumer wants, is heavily underlined in the national plan for agriculture recently presented by the minister, Filippo Maria Pandolfi. The plan highlights the lack of appeal of typically southern products like tomatoes, citrus fruits, table grapes and wine.

Preferences

Despite Europe's tomato surplus, evidenced by a 30 per cent oversupply within the EEC, yields per hectare are increasing. This is a problem for Italy which grows nearly two thirds of the EEC's tomato production (8m tonnes in 1983), and particularly for the South where Campania, Puglia, Sicily and Calabria are responsible for over 60 per cent of the national crop.

Sig Pandolfi's plan notes: "Italian exports of fresh tomatoes are limited because the Italian product fails to match market preferences in northern Europe."

The situation for citrus fruits, 85 per cent of Italian production (3m tonnes in 1983) is grown in Sicily and Calabria, is even worse. Notwithstanding EEC demand which is only half satisfied by Community supply, Italian citrus produce has difficulty in finding space. Supply from other producer countries is much more efficient in terms of product quality and service, and Italian growers appear blind to this.

Over 90 per cent of Italy's production of table grapes occurs in the South, particularly in Puglia, Sicily and Abruzzo. "The expansion of growing, into zones which are often unsuitable, creates difficulties in selling a significant part of production," the plan notes.

As for wine, Europe's lake continues to deepen, with declining consumption in the principal consumer countries being aggravated by increasing harvests. Community oversupply amounts to some 30 per cent, and the Mezzogiorno which makes over 50 per cent of Italy's wine earns part of the blame.

As well as production cutbacks, which would mean ripping out vines, the Ministry of Agriculture wants a stricter discipline for wines labelled Denominazione di Origine Controllata, Italy's quality guarantee.

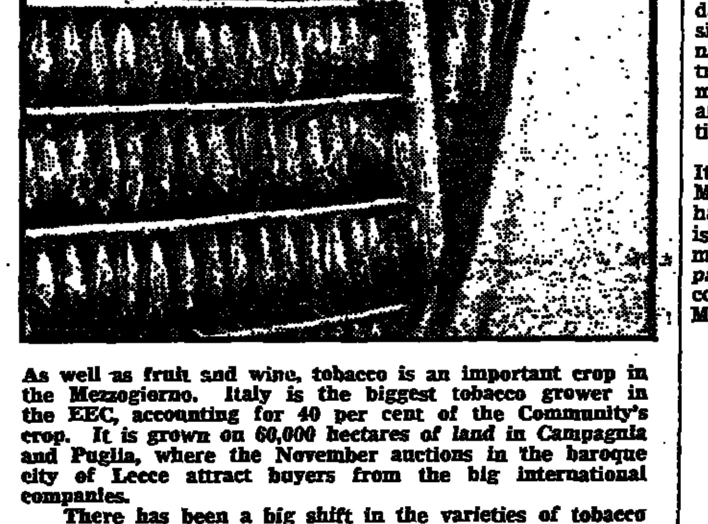
Everyone is aware that enlargement of the Common Market is going to create tensions and problems in Italian agriculture, especially in the South. Spain is already a major supplier of citrus fruits and fresh tomatoes to north European markets, and its production of table grapes and wine will certainly also have an impact.

Defensive positions are being prepared. "We are in favour of the entry of Spain and Portugal, but the complexity of the problems and the economic consequences should not in the least be underestimated," said Sig Arcangelo Lobianco, chairman of the Confederazione Nazionale dei Coltivatori Diretti, which is Italy's largest agricultural association and is particularly strong in the South.

According to Sig Lobianco: "There is a risk that the country's southern products will be governed by a large free-trade system without any efficient defence.

"Because this is a political move, the social and economic costs involved cannot be borne just by the agricultural sector," Sig Lobianco warns.

David Lane



As well as fruit and wine, tobacco is an important crop in the Mezzogiorno. Italy is the biggest tobacco grower in the EEC, accounting for 40 per cent of the Community's crop. It is grown on 60,000 hectares of land in Campagnia and Puglia, where the November auctions in the baroque city of Lecce attract buyers from the big international companies.

There has been a big shift in the varieties of tobacco grown in the last ten years, because of the changing tastes of Italian smokers and changed demand abroad. Planting of dark indigenous varieties like the beneventano, a Campagnia native, has been greatly cut back, while the cultivation of light American-type tobaccos has been sharply increased.

Imagination and verve in chaotic city

"OKAY, SO Naples is not an easy place to live in. We've got our problems. Crime, traffic, the city is sometimes a shambles; but look at that view, *che bella.* The Bay of Naples, Mount Vesuvius; and above all, there's us — the Neapolitans. We get by okay."

No demographers, or sociologist, could hope to offer up a summation as precise as the one above, given by Mario, a Neapolitan taxi driver, who through 35 minutes of traffic (the distance travelled was about a mile) along the Port of Naples road, gave vent to the love, and frustration, he feels in his native city.

Ah, Naples . . . once the great centre of art and culture, second only to Paris in Europe. Now the quintessence of all that is troubled, and yet extraordinary, about Italy. "A city which has lost its role," according to Sig Riccardo Boccia, the tough prefect of Naples.

Tourists no longer stay there, instead they pass through on their way to Sorrento, Positano and the Amalfi coast, or to visit the lava-preserved ruins of Pompei and Herculaneum.

Traffic is this city's greatest problem. Some 30 per cent of the narrow streets are blocked by parked cars, and heaven help anyone who expects to reach a meeting even within an hour of appointed time.

Naples, with a population of 1.2m, has the highest new car registration rate of Italy, and driving through it is a surrealistic experience. It makes the chaos of traffic in central Rome look tame.

"The traffic must be dealt with," declares Dr Ferdinando Ventriglia, chief executive of the Banco di Napoli, Italy's seventh largest bank, which has just made over L180bn (US$93m) in low-interest loans for new underground car parks.

Dr Ventriglia sighs visibly when discussing the seemingly endless traffic jams which frequently paralyse the city: "It can be so embarrassing. We are a major bank, and the other day I had to schedule a loan signing, for an American multinational, in Rome because the traffic here would not have permitted the executives to fly in and reach the city centre in time."

Yes, Naples has problems. It should be the capital of the Mezzogiorno, but what does it have to offer? Outside the city is the uneconomic, and lavishly modernised, Bagnoli steel plant, part of the state-owned Italsider company, and Montedison's Montefibre chemicals plant.

Vast tracts of beautiful beachfront are now blackened by the Bagnoli works. All of the state industry around Naples, including Aeritalia (the aerospace company), Alfa Romeo (the loss-making car company), Selenia (the defence electronics group) and Italtel (Telecommunications) accounts for only 1.6 per cent of the number of Neapolitans employed.

The 50,000 small shops and bars in greater Naples almost all pay extortion money to the main cottage industry in Naples —the Camorra, a local version of the Sicilian Mafia. Dr Boccia reckons that the real business of Naples revolves around the black or grey economy, which represents as much as half of the city, and province's GDP.

NAPLES: Traffic jams, industrial crisis and extortion rackets cannot daunt the energetic and adaptable Neapolitans, who always find a way to make a living.

"The big industries here are all state, and they are nearly all in crisis. The plants are governed from Milan or Rome. Our bourgeoisie is not entrepreneurial—they prefer to be doctors, professors and lawyers; but we produce a lot of gloves, Dr Boccia says.

Gloves are nothing to sneeze at. Nor are bed frames, counterfeit Gucci bags and belt buckles, counterfeit Levi jeans, shirts, sweaters, Cartier watches, or any of the other ingenious creations which emanate from the pavement workshop of Neapolitans in the "poor" quarters of the city. In cramped basements, they manage to achieve, generally in family businesses, an amazing output.

It is said that some of the finest gold jewellery and leather goods, sold at exorbitant prices to tourists on the Ponte Vecchio in Florence, come from the workshops of Naples.

One has to admire the imagination and verve of the Neapolitans. Never mind the official unemployment figures, two or three times the national average of ten per cent, Naples is thriving anyway. Flexible, imaginative, innovative, forever ready to strike a deal, the Neapolitans represent Italian flair writ large. They are masters at the *arte di arrangiarsi* (the art of getting by) and they know it.

Unfortunately, the art of getting by is not always attractive. Corruption among the city's 30,000 local authority workers is rampant, and absenteeism is epidemic. Many port workers, for example, rent their identity cards out to friends; they, instead, might run a bar or cafe, or work at home producing fake labels for jeans.

An estimated 50,000 people are still living in temporary accommodation such as caravans and hotels as a result of the 1980 earthquake. The damage is still visible in the poor quarters in the centre where scaffolding holds cracked buildings up. Construction going ahead to house the homeless will take two or three years to complete.

The city government is like a house of cards — its multi-party coalitions keep collapsing. The new mayor, a Socialist (Sig Mario d'Amato), has been in office since November 27 and is hoping to keep the 80-member council together long enough to pass the 1985 budget.

But his coalition of Socialists, Christian Democrats, Republicans and Liberals does not even make an absolute majority, so a few social democrats will be "brought in" to make the vote.

Naples is chaotic, but it might just be ready to take itself a bit more seriously. The Banco di Napoli, local art patrons and other leaders are trying to group together to create greater awareness of the need to reform and modernise.

Dr Boccia says the main organised Camorra group—Tye Nuova Camorra Organizzata—is being dismantled. Its leader, Sig Raffaele Cutolo, has built and run the organisation from jail for 20 years, but in recent years the arrests have been impressive.

The number of Camorra-related killings has dropped from 192 in 1982 to 116 in 1983 to 94 last year, and Camorra arrests in the past three years total a staggering 27,437. "Cutolo is finished as an organisation," Dr Boccia declares.

The dedicated Dr Boccia wrings his hands about the "lack of a programme for Naples" but still says he admires the spirit and gusto of the Neapolitans. "Naples is anarchic individualism expressed to the ninth degree."

This Naples certainly is, but it still functions—just about. And that is the way things have always been. In the words of Mario, the tax driver: "We get by okay."

Alan Friedman

Spectacular island hit by organised crime

"TO BE HONEST, I must say that the Mafia in Sicily is now stronger than the state."

These grim words come from Sig Lillo Mannino, the newly-elected regional party secretary in Sicily of the Christian Democrats, who form the leading party on this spectacular, but blighted island.

Sig Mannino made this remark in a cold drizzle outside the University of Palermo, where for the previous three hours a string of local Communist, Socialist and Christian Democrat politicians had made speeches attacking the Mafia.

The meeting, which brought together many leaders of Palermo's public life—priests, judges, widows and brothers of murdered policemen and political leaders, university professors and students—was held as a kind of public protest against the permanent outrage which is the Mafia.

No part of life in Palermo is truly free from the influence of this secretive and all-pervasive criminal organisation. The economy of Palermo, a city of 700,000 people, is under its firm control. It is the same whether one is speaking about the construction industry where city contracts are embezzled by Mafia contractors and then left unfinished, or whether one thinks of the thousands of shopkeepers who pay protection money to local extortionists.

Political life in Palermo, a rambling city which reveals both wealth and squalor, is also heavily influenced by the Mafia. Dr Leoluca Orlando, vice-commissioner of Palermo and a professor of law at the University, says it has infiltrated the ranks of his own Christian Democrat Party. He reckons that the key to politics in Palermo is to do nothing. "If you take action you risk offending someone."

The view of Sicily's capital as it is approached from the sea is impressive. The city is built at the head of a wide bay, overshadowed at the north by the jagged cliffs of Monte Pellegrino.

The people of Palermo, a city founded by the Phoenicians and later conquered by the Romans, are warm and friendly. The cultural heritage of the Saracens, Normans, Spaniards and Bourbons makes Palermo an architectural wonder as well. The local cuisine, perhaps sampled at a trattoria in the fishing village of Mondello, ten minutes along the coast from Palermo, is superb.

But the aesthetic side of Palermo fades quickly against the ugly reality of what one local official calls "the heroin dollar." With annual revenues from drugs estimated at billions of dollars, the Mafia is no longer the "honourable" social force of its mythology.

"With the heroin trade, the Mafia no longer has time to cultivate political contacts any longer," says Dr Orlando. "Now the Mafia moves quickly here. It buys politicians and if someone is not for sale, he is killed."

The list of politicians, police chiefs, magistrates and other

PALERMO: The economic and political life of Sicily's ancient capital are firmly under Mafia control.

victims murdered by the Mafia in recent years is frightening. Sig Piersanti Mattarella, Christian Democrat president of the region of Sicily, was assassinated five years ago. Since then a leading Communist crusader against the Mafia, an anti-Mafia judge, the head of the special police squad and many others have been killed in Palermo.

But no assassination brought with it as much political disruption, fear and chaos as the September 1982 machine gunning of Gen Carlo Alberto Dalla Chiesa, the special high commissioner against the Mafia, and his newly-wed young wife.

Since Gen Dalla Chiesa's killing, Palermo's city government and the island's regional assembly—both Christian Democrat controlled—have been paralysed. Accusations that Christian Democrat politicians turned a blind eye to the murder of Gen Dalla Chiesa helped to bring down the governments two years ago and led to a state of revolt inside the Christian Democrat cadres.

In the past year alone there have been no fewer than five mayors of Palermo. All have resigned an impossible job and Palermo has been declared an "ungovernable city."

One of Palermo's ex-mayors (from the 1970s) has just been arrested and charged with criminal association with the Mafia. At present, Palermo has no mayor and is being run by a special commission.

Not only is the Christian Democrat Party mired in internal struggle but, according to Dr Orlando, who is helping to rule Palermo until elections in May, the Mafia "exerts rigid control here."

"Let us face the truth. In Palermo, we cannot spend half of our L300bn annual budget because one Mafioso contractor might take offence if another gets the money.

"Our infrastructure suffers, the people suffer. Government must be based upon consensus, power and responsibility. What good is consensus and responsibility if the Mafia has all the power?"

The secretary of Italy's Christian Democrat Party, Sig Ciriaco de Mita, has made three trips to Palermo in recent months to try to resolve the party's crisis on the island. The dilemma of Palermo and Sicilian politics is proving a national embarrassment to the Christian Democrats, who are worried it could affect their polling in Italy's administrative elections this spring.

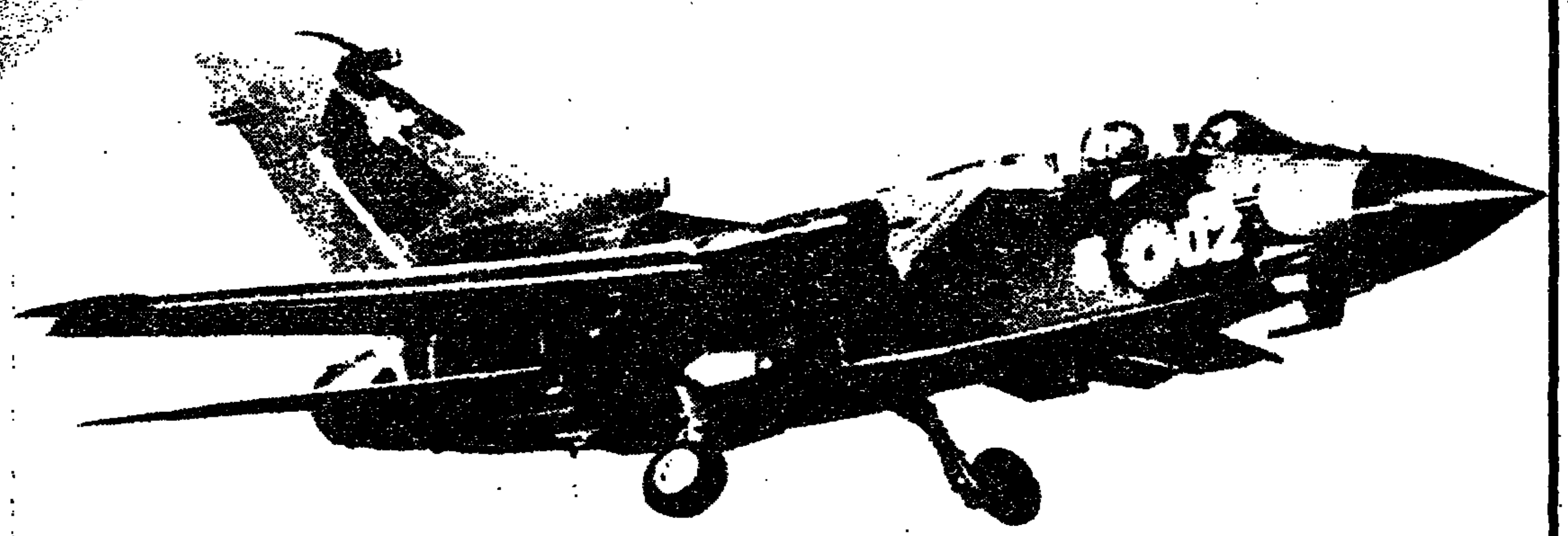
As for the people of Palermo, they appear to work and live without much hope that things might change. The official unemployment level is 16.2 per cent in Palermo, against a national average of 10 per cent for Italy. In terms of per capita income Palermo ranks around the 80th city in Italy; in terms of consumption of goods and services it is Italy's fifth richest city. The Mafia-generated disparities could not be clearer.

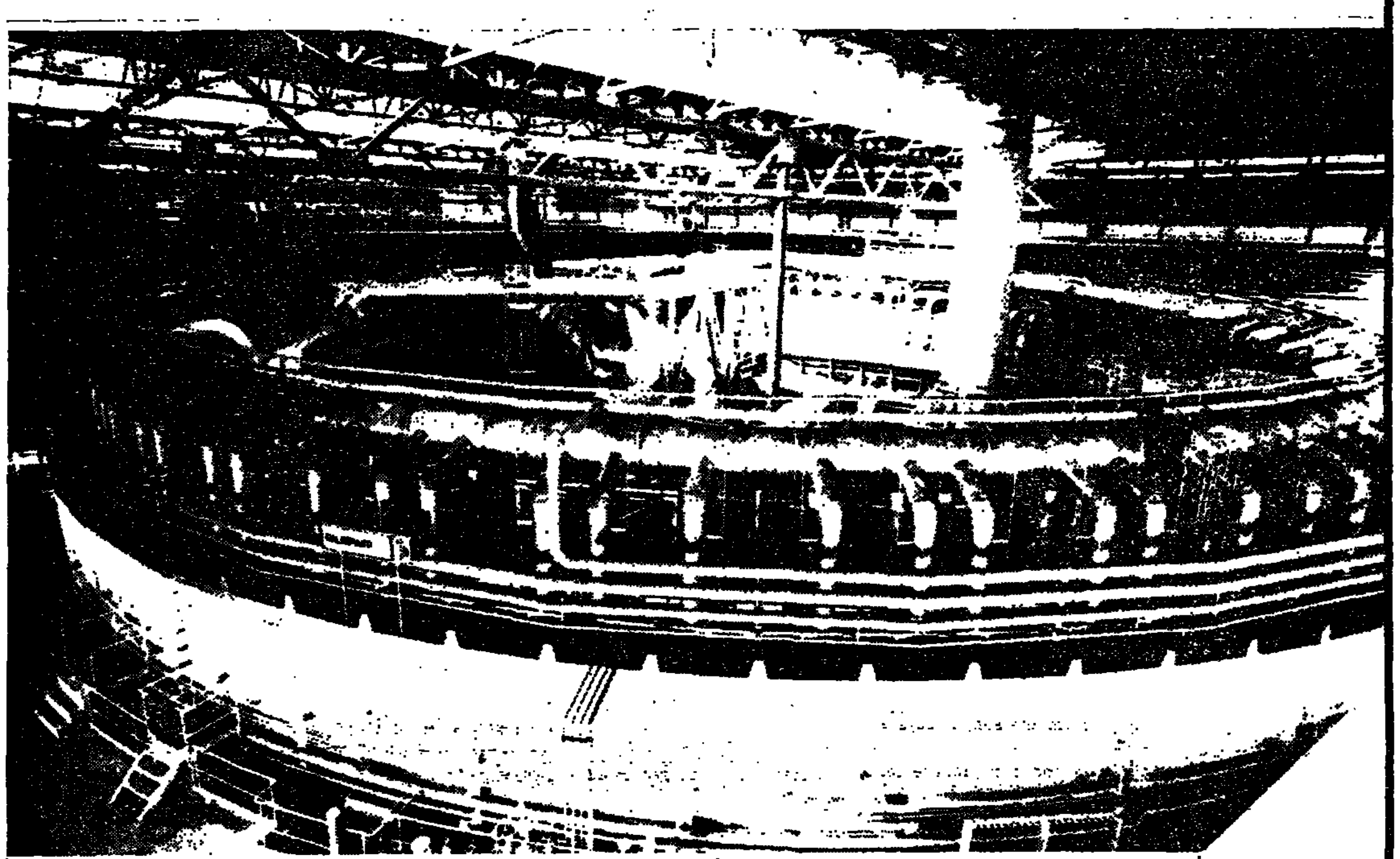
At the Banco di Sicilia, largest on the island and one of Italy's more important nationwide banks, there is reluctance to discuss the hidden side of the local economy. Senior executives say that Palermo is like Washington DC, a political capital, where state employees represent between a third and a half of the workforce. This is true, but what of the rest of the economy?

Tourism may account for 5 to 10 per cent of the local economy. Agriculture makes up about 14 per cent of Sicily's gross domestic product and industry (which takes in thousands of small manufacturers ranging from clothing to metalworking) an additional 25 per cent, according to the Banco di Sicilia.

There are signs of hope in Palermo. Work has begun on the renovation of the Grand Teatro Massima opera house and there are plans for a revival of the historic centre. But any city-sponsored work immediately opens the question of who gets the contracts.

Alan Friedman





Living standards have greatly improved in the Mezzogiorno but the two regions profiled here still suffer from their isolation.

Enduring need to retain an island identity

NOWHERE IN Italy is regionalism stronger than in Sardinia where the natives refer to mainland Italy as "the Continent." It has stubbornly resisted integration with the rest of Italy and yet Sardinia played a significant role in Italy's unification, providing the new state's first king. It was also the home base for many years of that great Italian unionist, Garibaldi.

Sardinia's relative remoteness —200 km from mainland Italy, 280 km from mainland France —has ensured its virtual exclusion from Europe's mainstream economic and political life. Invasion and occupation across the centuries has left it surprisingly untouched by external influences. But then, its various invaders largely left Sardinia in benign neglect, until it fell prize to the House of Savoy in 1720.

The Piedmontese devoted considerable resources to the rehabilitation — social, economic, and agricultural—of Sardinia. They achieved some measure of success, only to be met by resistance from the more independent-minded Sards. And this has been an enduring feature of island life—tolerance of the outsider, and a readiness to accept anything he might hand out, but opposition to any form of integration with his way of life.

Thus, Sardinia retains a very separate identity within Italy; the local language (in its various forms) is spoken universally by the islanders and is much more than a mere dialect, and a wealth of folklore and customs survive to delight historian and tourist alike. The Sards take pride in their being different but bemoan the apparent lack of interest shown by mainland politicians and *industrialists. They share*, therefore, a common cause with the other marginal regions of Europe in wanting to keep their identity while having a bigger share of the economic cake.

Physically, Sardinia is a mountainous, stony place, parched in summer and never too cold in winter, although snow has been seen this month for the first time in 20 years. Much of the island is covered by a bewildering variety of bushes and small trees which contrast pleasingly with the granite rocks. Its long coastline offers a combination of stunning beaches and attractive coves.

Agriculture is the single dominant economic activity, spread between livestock and crops. Sheep had been the traditional mainstay of farming life and the coarsely-clad shepherd and *his dogs are still* a common sight in the highlands. Cattle raising has fluctuated in importance and showed signs of taking off following the introduction of foreign breeds.

But the Sard farmer is resistant to change and his slow, plodding ways led the Fascists *to establish several colonies of* agricultural workers trans-

SARDINIA: Agriculture and industry are in a poor state, so hope turns to tourism which has grown apace in the past 20 years.

ported from the Veneto. These still exist, operating on a co-operative basis, the main one being at Arborea (known originally as Mussolinia).

Agricultural policy has been thwarted by rivalry between the hill farmers tending their sheep and the crop growers in the lowlands. And the land is being abandoned by many whose families were traditionally engaged in agriculture. Low incomes, due largely to poor husbandry and the lowest yields per hectare in Italy, have driven many younger workers *into industry and construction* or away from Sardinia altogether.

A bright spot has been wine; the area under cultivation has more than doubled since the 1939-45 war. However, there is limited demand elsewhere in Italy and abroad for some of the strong reds and promoters of Sardinian wine are concentrating more on the quality *wines, particularly the 16 DOC* categories, most of which come from the province of Cagliari.

But Sardinian agriculture has generally been a tale of neglect and missed opportunities. (For example, Sardinia's plentiful fishing grounds have never been properly exploited by the Sards themselves). However, agriculture's already sorry state could have been a lot worse had it not been for the large-scale *eradication of malaria, until* recently the scourge of the island, and successful irrigation projects.

Apart from the ubiquitous artisan crafts of the Mediterranean, traditional industries are confined to salt porduction (the two salt pans near Cagliari are among the largest in the world) and mineral extraction with an assortment of about 200 mines and quarries at a variety of locations. Lead and zinc predominate but output, by world standards, is modest. The Sulcis coalfield is hardly competitive and *produces mainly* lignite or brown coal with a sulphur content too high for burning on mainland Italy.

As late as 1958, a government report noted that "in Sardinia a modern industrial structure hardly exists." A generous mixture of development grants (from the Cassa per il Mezzogiorno and a special Sardinian regional fund) and long-term, low-interest loans combined to make *investment in Sardinia* the most heavily subsidised in Italy.

Both Italian (mainly nationalised) and multi-national industry took the plunge. Unfortunately, they concentrated largely in one sector—refining and petrochemicals. At about the time the great ventures at Porto Torres and around Cagliari, all started in the 1960s, were reaching fulfilment, OPEC was re-writing the economic balance-sheet of the world's oil industry.

The fatalistic Sards took the blow *fairly stoicly* and although the unsightly refineries and chemical plants still belch away along the south-west coast, those concerned with the island's future are wisely looking in other directions. However, it is hard to see yet with what results.

There are plans for further port development. Could Sardinia become an entrepot for the Mediterranean and the *Middle East?* Limited production of its own, and poor communications — (which already suffer chronically from airline and ferry strikes—must raise doubts.

Hope therefore turns to tourism, which has grown apace in the last 20 years. The island has just the right cocktail of sun, beaches, local colour and accessibility, and although prices are steepish compared with *elsewhere in the Mediterranean*, and the threat of kidnap lingers on, the outlook is promising despite a depressing dip in numbers in 1984—in common with the rest of Italy.

But the trappings of international tourism are in stark contrast with the deprivation and poverty still found in rural Sardinia. Some find the high-life style of, for example, the *Costa Smeralda development of* the Aga Khan and the glittering yacht parade at Porto Cervo offensive in the face of local economic difficulties.

They are less critical of Lord Forte's holiday village project near Cagliari, but nevertheless some local politicians would like to have total control of the island's economic activities.

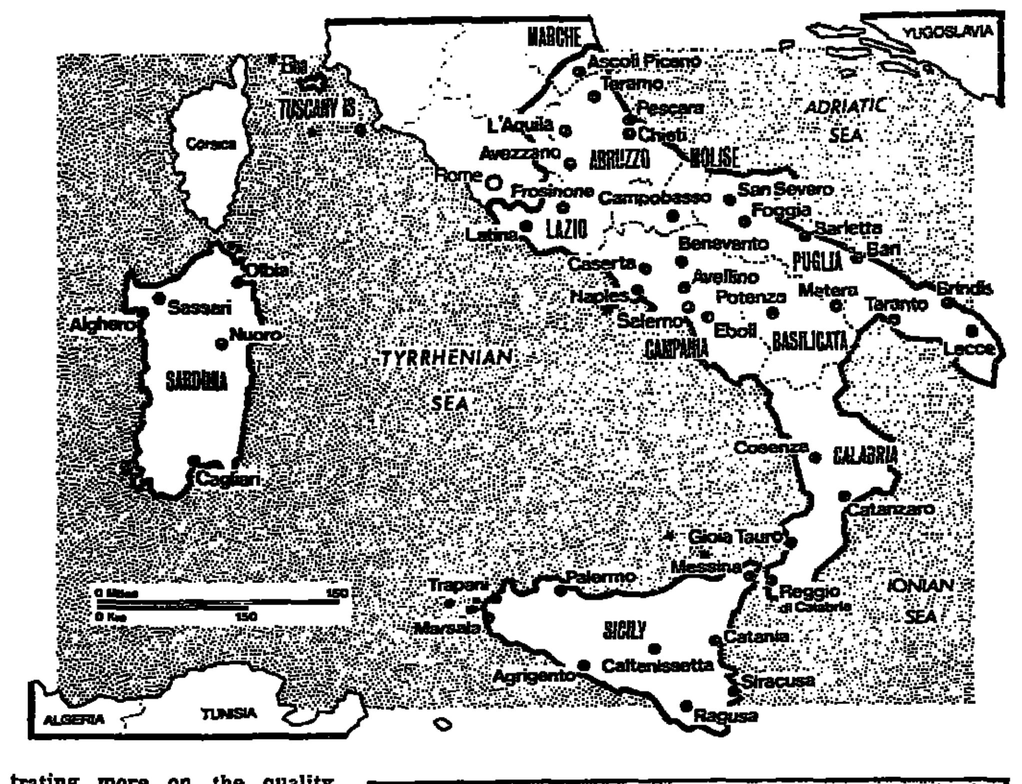
Sard independence is not entirely a joke. A strong move in its favour emerged after the war when, in 1948, Sardina was given regional autonomy with extensive devolved powers. Rome no doubt hoped this would buy off the separatists and local politics have developed largely along the lines of the mainland party structure. *But Sardinia has few friends* at court and the death in June 1984 of the charismatic Communist party leader, Enrico Berlinguer, removed from the national political scene one of the island's favourite sons.

Quite unconnected, there has been a recent upsurge in demands for greater autonomy and support for the separists in the form of the Sardinian Action Party.

Although distinctly Left-wing in a strongly conservative society, it worked its way into third place in the regional elections last June with nearly 13 per cent of the vote and 12 seats in the Regional Assembly with the President of the party occupying, for the first time, the chairmanship of the Regional Junta, in an uneasy alliance with the Communists.

This was despite a visit by *Sr Bettino Craxi* and a posse of ministers to the island in April to listen to the regional government's demands for *greater assistance. This should* be forthcoming and the new junta has set out even more stringent requirements. But whether, as in the past, Rome's acquiescence will satisfy the more extreme separatists, or merely goad them into more demonstrative action, remains a worring question for the authorities in both Rome and Cagliari.

Simon Gill




Cave houses in the town of Matera, Basilicata.

Road network transforms remote mountain area

"WHEN Alcide de Gasperi made his first visit to Basilicata in 1950 it took three and a hours to reach Potenza from Matera. None of the roads was surfaced and we arrived covered with white dust thrown up by the wheels." Emilio Colombo, the Christian Democrat whose power base is in the region, still recalls clearly how exhausting the trip was, especially for Prime Minister de Gasperi who was not accustomed to such conditions.

Few know Basilicata better than Emilio Colombo or are more able to appreciate the changes which have transformed the little known and sparsely populated region since the war. Colombo was born in Potenza in 1920 and his roots, political and personal, are firmly embedded in a constituency which covers 10,000 square kilometres, and runs from the Tyrrhenian Sea at Maratea across to the instep and along the Ionian Coast, and reaches nearly as far as the Adriatic.

Nowadays, the 110 kilometres which separate the region's two provincial centres are easily covered in less than an hour. According to Sr Colombo, enormous improvements in *communications are the most significant* aspect of progress since the 1950s. "Isolation belongs to the past. Today's road network allows Basilicata access to the rest of Italy, and indeed contact with itself, without having to cling to mountain sides or scale their peaks."

In contrast to the generosity and simplicty of the region's 600,000 inhabitants, its geography is complex and often *inhospitable. The writer Carlo* Levi described the people, the harsh terrain and arid lunar landscapes around Aliano in Christ stopped at Eboli, his autobiography of a northerner's banishment under Fascism to a poor southern village. A profound sense of exclusion, of existing at the very margins of the Italian state, pervades Levi's book.

Roads above all have helped *to integrate Basilicata into* today's Italy. The Autostrada del Sole which swings through the south-west corner, and three trunk roads, 'ting diagonally across the region from the autostrada and following river valleys down to the Ionian Coast, provide the framework for Basilicata's road system. Today many mountain villages now have roads and are no longer reached by rough tracks

Nevertheless, geography cannot be completely tamed nor the effects of climate avoided. Sr Colombo spends about three days *each* week in his constituency, despite demanding party and parliamentary calls in Rome, and from November to March when the weather can play havoc with travel plans, he restricts his visits to the two main towns.

Yet even in the summer, he sometimes has to drop in by helicopter. San Severino Lucano, a village near the boundary with Calabria, is at *nearly 3,000 feet* above sea level and three-quarters of an hour's drive on winding mountain roads is needed to reach it from the Autostrada del Sole. So this year, at last, the sportsfield became a helicopter pad for Sr Colombo's visit.

San Severino and its 2,000 inhabitants provides a vivid illustration of Basilicata's past and present problems. Emigration, first to north and south America and then in the post-war period to Switzerland, Germany and Italy's northern industrial cities, has been characteristic of much of the Mezzogiarno. San Severino's population numbered more than 50,000 at the turn of the century.

However, the huge exodus of impoverished agricultural labourers seeking a better life fram from home have dried up. Sr Colombo says that there is no longer large-scale migration. "First, there is no demand for manpower elsewhere, and thus no possibilities of surplus population being absorbed. And second, the past imbalance between agricultural manpower in Basilicata and cultivable land no longer exists," he explains.

BASILICATA: Emigration and severe unemployment have left a difficult legacy, while industrialisation, with its promise of jobs, has barely started and markets are distant.

But while earlier generations suffered from agricultural under-employment, today's severe unemployment has two very *different* dimensions. Industrialisation has barely started and yet already unemployment has hit manual industrial work. *But according* to Sr Colombo, opportunities in the region are even fewer for white-collar occupations. Expansion of education has created a stratum of young qualified people—accountants, economists, surveyors, draughtsmen, biologists and technicians—whose *job* prospects are bleak.

Sr Colombo says the region lacks an industrial base capable of supporting white-collar work, *this is not surprising since* industrialisation went into a stall almost as soon as it got off the ground. The discovery of methane deposits at Ferrandina helped the chemicals industry to take off in the province of Matera. "The 3,500 jobs which were created 20 years ago were a great stimulus," Sr Colombo says.

However, the worldwide chemicals crisis led to lay-offs *in the region's industry*, putting permanent employment at risk. Industrial jobs were lost in other sectors also, further undermining an industrial base which could also bring white-collar employment. Coupled to the considerable difficulty of industrialising from scratch, Basilicata has the problem of distance from markets and from sources of raw materials.

But with about 30 per cent of the working population employed in agriculture, this remains a major source of employment in the region. However, Basilicata's *predominantly* mountainous terrain is a severe handicap. Mountain farming, herding goats and sheep and scratching a subsistence living from small plots, is extremely hard and unrewarding, and Sr Colombo recognises that little can be done to change these harsh realities.

Considerable strides have been made in the few valley areas and along the coastal plain at Metaponto. But as with industry, the absence of entrepreneurial drive and imagination prevents the agricultural sector from realising its full potential. Sr Colombo is disappointed by the failure of fruit and *vegetable growers to* capitalise on the advantages which climate, soil and irrigation give them. "The correct approach to packaging and selling products is still missing," he says.

Basilicata thus faces a different set of problems today from those of 20 or 30 years ago. People in the region have benefited from the huge leaps in living standards which electricity, *piped* water, modern housing and education have brought. Health has improved enormously (between 1951 and 1971 the number of hospital beds rose from under 600 to 2,300), and diseases such as malaria, endemic as Carlo Levi recorded, have ben eradicated.

In addition, progress has been made without attracting criminals from the Neapolitan Camorra or Calabrian 'ndranghta. "The region has remained immune to the sickness or organised crime, and we are fighting to ensure that this continues to be so," Sr Colombo says.

As for the future, the possibilities offered by tourism as a source of employment and regional income are much discussed. Sr Colombo points to the beaches of Maratea and Metaponto, and the latter's archaeological riches, as well as to the famous "sassi" or caves of Matera, 30 years ago a scandal of appalling urban living conditions but now being revalued as a historic archaeological site.

Even San Severino is hoping that tourism will offer it a brighter future. During his recent visit to the village Sr *Colombo was asked* by local party officials to press for action to establish a national park at nearby Monte Pollino. But this *proposal* is by no means uncontroversial. In Rome there is a growing belief that national parks should be conservation area first and foremost; for San Severino's citizens, national parks mean road, hotels, restaurants, development and jobs.

Much of the credit for this development and for the substantial improvements which have ben achieved is given to Sr Colombo personally. Without his political weight this small region would, even in the opinion of many political opponents, have remained isolated, forgotten and certainly much poorer.

David Lane

$250m project will end centuries of misery in drought-ridden region

Huge aqueduct scheme brings water to Puglia

WATER IS easy to take for granted. In northern Europe a turn of the tap usually gives an immediate flow to satisfy domestic needs. But for southern Italians the absence or scarcity of good water is a vivid and recent memory, and indeed is still a reality for some.

There are many villagers in the Mezzogiorno who can claim to have never drunk water, its reputation as undrinkable and unsafe being good reason to confine their liquid consumption to wine.

Inadequate water supplies are a centuries-old problem for the inhabitants of Puglia, the arid region which forms the Italian heel at the southern end of the Adriatic. Roman aquaducts near Brindisi, and other ancient engineering works in the region, remain to show how the authorities of Imperial Rome tried to deal with the area's water shortages.

Failed harvests

But the decline of Rome brought an end to progress, *and Puglia was again aflicted* by an unrelenting water crisis. Failed harvests caused by drought and dry wells created *frequent scenes of desolation* and misery.

The problem in the Italian South is not an overall shortage *of water, but the timing* and placing of its availability. Precipitation is concentrated in winter months, with long dry summers during which many rivers cease to flow. The area's geology and geography is generally unfriendly, some districts being rich in water resources but most of them extremely poor.

At the beginning of this century the state started once again to tackle *Puglia's lack* of water, although efforts were fragmented and results partial. "Only in 1950 was the situation faced in a rational, integrated fashion and with sufficient financial resources," says Sr Massimo Perotti, former chairman of the Cassa per il Mezzogiorno, in explaining the Cassa's crucial role in resolving Puglia's historic problem.

That water shortages in Puglia have now been successfully eliminated is due largely to the Sinni water project which *is* nearing completion. This sophisticated system, built over the past 30 year from a complex set of *sub-systems*, represents a major achievement in the inter-regional management of water resources.

The Sinni system enables Puglia to benefit from the high precipitation of the mountains of the adjoining region of Basilicata, by means of a network of reservoirs and pipelines which collect water from the Sinni and three other rivers in Basilicata and convey it to Puglia.

The aqueducts, dams, weirs, pumping plant and purification stations which compromise *the* system are evidence that 20th century Italy maintains the civil engineering traditions and *skills of ancient Rome*. However, the theoretical foundations which lie beneath the system highlight modern engineering and *managerial* approaches, brought to the problem by the Cassa per il Mezzogiorno.

Water resource systems are amenable to supply and demand analysis and the Sinni system was subjected to a rigorous analytical study at the design stage involving the formulation of a huge linear programming model with more than 2,500 constraints and nearly 1,000 unknowns.

The model provided optimal solutions for the sizes of engineering works *to* be built, as well as policies to manage the system's operations, in terms of the monthly quantities of water to be released at different points.

Massive theoretical studies regarding the Sinni system are *matched* on the ground by the impressive set of dams and aqueducts. The dam at Monte Cotugno on the River Sinni is the largest earthfill dam in Europe. About 12m cubic metres of earth form the dam which is 70 metres high, 265 metres wide at the base and nearly 2 km long at the crest.

Investment

At the end of this year the last 17 km of the 149 km aqueduct will be completed, a project which has absorbed *L490bn* ($250m) of state investment. This aqueduct is one of the final elements in a system which includes other major works like the Pertusillo and Gannano dams on the River Agri and the San Giuliano dam on the River Bradano.

Now being filled, the reservoir at Monte Cotugno will radically change the appearance of the Sinni Valley. The river bed which in summer dries to a 4 km span of arid grey stones, together with surrounding *fields* and hills, will eventually be submerged by an expanse of 1,850 hectares of water.

Effective capacity *of* the reservoir is 450m cubic metres. The costs incurred in building the dam and reservoir at Monte Cotugno amounted to L60bn.

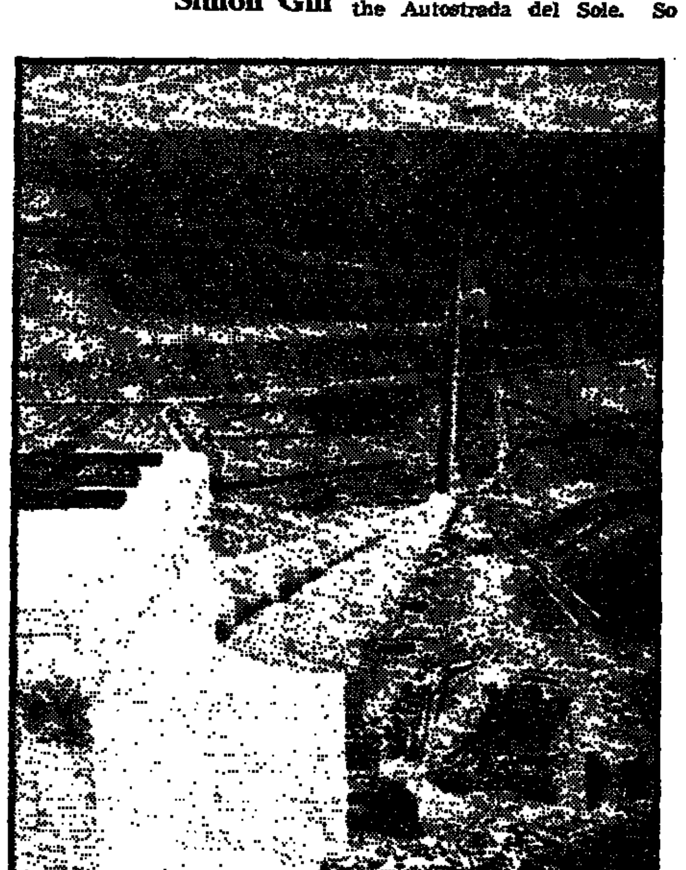
"Managing Basilicata's resources permits a total annual supply of nearly 600m cubic metres to agriculture, 300m cubic metres to industry together with nearly 400m cubic metres of drinking water," *says Sr Perotti*, who is *now* responsible for the liquidation and restructuring of the Cassa per il Mezzogiorno.

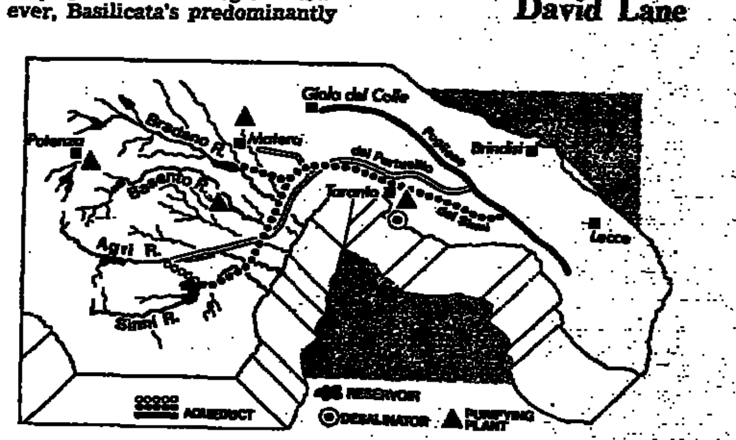
Some of the system's water serves to irrigate Basilicata's Metaponto region. However, most of it finishes in Puglia, where it *supplies the civil*, industrial and agricultural needs of Taranto, Brindisi, Lecce and the Salento peninsular.

"Over 40 per cent of infrastructure expenditure in the *Mezzogiorno* has gone to water resource projects," says Sr Perotti.

"The supply and management of water has been a cornerstone of policy since intervention in the South started in the early 1950s, and must continue to be so."

David Lane





Above: the aqueduct scheme, carrying water from the mountains of Basilicata to arid Puglia. *Left:* part of the huge network of pipes, dams and reservoirs

JOBS COLUMN

Candidates' guide to organisational manias

BY MICHAEL DIXON

READERS who travel around different organisations must often have seen a certain notice stuck up by countless work-benches and desks. It gives a truer picture of how companies operate than any organisation chart on a chief executive's wall. The notice reads: "You don't have to be mad to work here, but it helps."

Some management researchers argue, however, that the notice still fails to tell the precise truth about working life today, especially at managerial level. To do that, they suggest, the words would need to be: "You do have to be mad to work here, but it doesn't *help*."

The reason is that managers wishing to keep their jobs must usually conform to their organisation's habitual way of doing things. And many organisations have habits which, while enough to excite any head-shrinker, bode only gloom for customers, owners and ultimately employees. Or so claim Drs Manfred Kets de Vries and Danny Miller in a book* based on their research in numerous anonymous companies.

The two authors are well placed to judge since, besides teaching management mainly at McGill University in Canada, they both have deep interests in psychiatry. Vries in particular is a practising pyschoanalyst.

Mercifully it seems that none of the managements they have so far examined has qualified for instant removal in the yellow van. The cases they discuss are not of spectacular "psychotic" disorders, but merely the neurotic kind. (To illustrate the difference: pyschotics know the earth is flat; neurotics think the earth is curved—and it worries them rigid.)

Neurotic disorders are so common that there is little point in job-candidates seeking perfectly sane organisations. They probably don't exist. But that need not stop companies from doing consistently well, provided their managers' neuroses are of many different kinds.

The rot starts when executive power is held by an individual or a caucus of managers all with the same mania. Then, given top people's tendency to appoint lieutenants mis-shaped in their own mould, the whole caboodle is prone to become dominated by one particular kind of nuttiness.

Five kinds are prominent, the two researchers say, and to help canny candidates to spot them I'll now summarise the distinguishing marks.

One is the "paranoid" organisation run by a kernel of executives convinced that everyone is out to get them. The symptoms include a jealous hoarding of power at the top, reinforced by superbly engineered systems of vigilance and control over subordinates.

A strength is that such executives are even more distrustful of outsiders than they are of employees and one another. They therefore work together well enough to see that their company swiftly detects and counters suspicious moves not just by competitors but by customers, governments, old ladies reputedly collecting for charity and so on.

Unfortunately they are too defensive to be enterprising. They occasionally diversify into unfamiliar products and markets but that is merely to stop their business from being concentrated on only a few activities and so liable to a mortal blow if any of the hordes who are out to get them succeeds.

"Compulsive" organisations are marked not only by detailed controls over staff but also by minutely specified planning because the managements are obsessed with ruling out any possibility of surprise. Employees, whose powers and status are determined by position in the heirarchy, are looked down on not as enemy agents but as reckless fools who must be prevented from taking unscheduled action.

Such organisations focus on doing what they have constantly proved they do well, which can be a great strength in a period of stability. But they are apt to be shattered by change in accustomed markets, technologies and suchlike, not least because their rigid structures leave no room for individual initiative.

Anathema

Change is even more anathema to the "depressive" outfit. Its rulers have surrendered their initiative to the system to the extent that they would think you dangerously ignorant if you suggested that they could, let alone should, do anything but maintain the efficient running of the machine according to precedent.

Since depressives need protective conditions to survive, what ingenuity they possess tends to be devoted largely to political defence of their preserves. Prime examples, but not the only ones, are provided by governmental bureaucracies.

Next come "schizoid" organisations whose top managements see the rest of the world as made up entirely of frustrating things, the worst of the lot being other people. To save themselves inevitable disappointment they shy away from commitment to any strategy and stand aloof from the everyday running of affairs.

Into the gap step feverishly politicking second-tier managers, and what is decided at the top depends mostly on the particular interests of whichever faction happens to command the chiefs' ears at the time. Since the political ascendant often swaps hands, the organisation is prone to abrupt changes if not reversals of direction so that only piecemeal developments occur.

Last of the five kinds are "dramatic" organisations typically ruled by an all-powerful chief, often entrepreneurial, who is not only decisive but always right. Having no choice but to agree, subordinates do not bother to keep much of a watch on what might seem to be going on in the world around the company, for their merely human eyes are most likely to mislead them.

Nor do they bother to pass upwards, or even discuss among themselves, any evidence which might tend to interrupt the supremo's free flow of flair. Their duties are to act on the decisions handed down—characterised by being usually bold and expansive and sometimes mutually contradictory—to lead the world's applause, and to hope resolutely for the best.

They are probably wise to do so because if ever the dramatic chief, sometimes known alternatively as a "charismatic leader" reveals human frailty by dying or whatever, the organisation's dominant neurosis is most likely to change to the depressive variety almost overnight. Indeed the trouble with any of the five types of concentratedly neurotic organisations is that if their prevailing mania doesn't lead them to go bust entirely, they seem to have little chance of getting rid of it except by swapping it for another kind.

Trying to remedy them by superimposing rational techniques of management is evidently rarely successful. As the two researchers say: "Rational solutions work only with rational people," and they don't include neurotics. The book's recommended treatment is to call in representatives of what its authors clearly hope will be a growing profession of company psyciatrists. But those of us who, unlike Dr Kets de Vries are not practising psychoanalysts, might be chary of putting much faith in that remedy either.

So it seems that candidates do well to avoid investing at least their long-run career in any apparently uniformly demented concern, especially if its pet insanity coincides with their own. The best bet is organisations run by a well mixed bunch of managerial bananas which should be stimulating to work for if nothing else.

The Neurotic Organisation. Jossey-Bass Publishers. £19.95.

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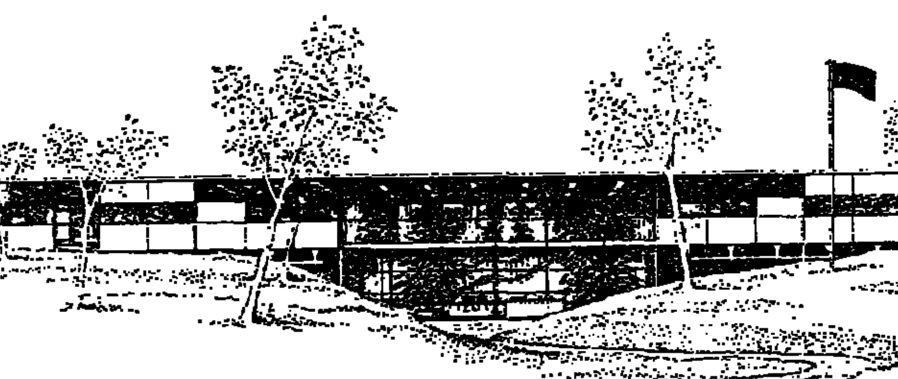

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- Merrill Lynch require a number of Account Executives to introduce high net worth investors and service their investments in line with agreed financial objectives.
- These positions are all London-based, although in some cases New York training may be necessary.
- Applicants should be in the 25-35 age range with a good level of academic achievement. They must also be ambitious self-starters with a professional and sophisticated approach to offering investment analysis advice.
- Preference will be given to candidates with previous experience of providing financial services to high net worth individuals.
- Current registration with an NYSE member firm would also be an advantage.
- This is an excellent opportunity to join a dynamic and growing international company with the top rated research team on Wall Street.

Please apply in writing giving details of your career to date to: Mr. Joseph Mara, Merrill Lynch, 26 Finsbury Square, London EC2. All applicants will be treated in the strictest confidence.

Merrill Lynch

Financial Planning Manager

Marlow, Bucks

The Water Reseach Centre is the leading organisation in the United Kingdom for research into all aspects of water technology. It is funded mainly by the UK water industry but the interests of consultants, manufacturing industry and academic institutions are also fully represented in its broadly based membership. Government and commercial contracts are also undertaken.

With a total staff of 550, the WRC conducts a research programme on three broad fronts—environment, engineering and processes—carried out in laboratories based at Medmenham, Bucks; Swindon, Wilts and Stevenage, Herts.

Applications are invited for the post of Manager, Financial Planning and Performance Review. The position is based at the Company's Headquarters Unit near Marlow, Bucks.

Reporting to the Director of Finance, the successful candidate will be responsible for budgets, forecasts and the financial input to strategic plans and will be required to make a critical review of the activities of WRC in support of management at all levels.

Applicants will be qualified accountants or MBA and aged between 27 and 34, with several years' relevant experience.

A salary of between £14,000 and £16,000 pa is envisaged.

Applications in writing to Bruce Carruthers, Group Personnel Manager, Water Research Centre, Henley Road, Medmenham, PO Box 16, Marlow, Bucks.

WATER RESEARCH **WRc**
Providing Water Technology Worldwide

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Are you now earning over £20,000 p.a. and thinking of a career move?

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Executive Management Services Ltd,
32, Savile Row, London W1 01-734 3879

VENTURE CAPITAL MANAGER

Scottish corporate finance company with new venture capital fund needs Fund Manager

The ideal candidate would be a graduate and either an accountant or a business graduate, aged between 30 and 50. He or she must have direct experience of small company problems at board level either as a director or as a consultant or venture capital manager and must be able to help guide entrepreneurs. Compatible venture capital experience would be a considerable advantage. An attractive salary will be offered in line with the candidate's experience. There are excellent promotion prospects including board appointment and the possibility of valuable incentives.

Location: Edinburgh

Please reply with full curriculum vitae to

Box A.8815, Financial Times, 10 Cannon Street, London EC4P 4BY

HS

Manager Corporate Finance

Three Year Assignment to South Africa

Hill Samuel & Co Limited wishes to second an executive to be a manager in the Corporate Finance Department of its merchant banking subsidiary in South Africa.

Applicants in their late twenties must have a minimum of three years relevant experience, partly at manager level, in areas of corporate finance. This knowledge will have been gained, ideally in a UK merchant bank, and will include issues, mergers and takeovers.

After a period of familiarisation in London the successful applicant will be seconded to Johannesburg probably for three years and will then return to London.

An attractive and highly competitive remuneration package will be provided as will all return expenses (to cover any family).

Applications, which will be treated in strict confidence, should be sent to:

R.C.G. Gardner, Director
Hill Samuel & Co Limited
100 Wood Street, London, EC2P 2AJ.

HILL SAMUEL & CO LIMITED

DEPUTY CHIEF EXECUTIVE

Salary Negotiable

Small but rapidly-growing multi-national financial institution requires leader with proven ability in management of international securities or banking operation. Strong emphasis on effective management of retail and institution account-executive staff, supervision of trading and market-making, exercising of financial controls on large mainframe computer system and maintenance of first-class relationships with press and industry leaders. Our group, about to relocate to our own modern office building in Mayfair, operates in international securities dealing, underwriting of public share offerings and venture capital, with more than 110 full-time staff in our London and European offices.

Preferred would be a younger candidate ready to move up to a top leadership role. Not required, but a strong additional asset, would be a good speaking knowledge of German, French or Italian, in that order.

Compensation: Substantially higher than you are currently earning. If you would like a personal meeting to discuss this position in strictest confidence within the next few days write immediately to the personal attention of:

CHAIRMAN
BCM — Box 8466, London WC1V 3XX

Company Secretary – Designate

West Yorkshire **to £22,500 + car**

Innovation, market and product development and, above all, the pursuit of excellence . . . ***these are the characteristics of this acknowledged market leader in the field of electrical and*** **instrumentation contracting. The industries served include building and engineering construction and major public utilities.**

This new appointment — ***as Assistant Company Secretary in the first instance*** **— arises due to the pending retirement of the present incumbent in Autumn 1986. Promotion will not be automatic, however, but will depend on achievement over the next 18 months.**

Candidates — aged 35 to 45 — will be educated to degree level and/or hold an appropriate professional qualification. Significant experience of the functions — including credit control — in a competitive environment such as the construction industry is essential. It is unlikely that those currently earning less than £16,000 will have the necessary depth of experience for this appointment.

Salary is for discussion and the benefits package will include relocation expenses, ***where*** **appropriate, to a most attractive location on the edge of the Yorkshire dales.**

Please write — in confidence — will full details to A.L. Brown ref.B.62030.

This appointment is open to men and women

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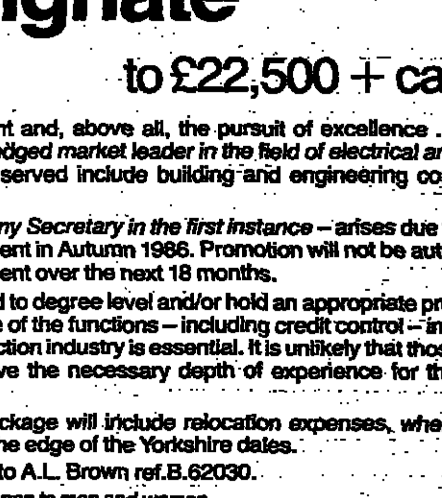
CHARTERED SECRETARY

23rd August 1984.



23rd August 1984.

"RUNAWAY SUCCESS"

The Guardian
23rd August 1984..

This is simply one of the accolades Sun Life Unit Services, then an associate company of Sun Life, received from the UK press in August when it was announced that they were to be bought by the Sun Life Group. And the story continues.

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You owe it to your career to hear more. Do so by writing or telephoning in strictest confidence to: Shelley Thirsfield,
Sun Life Unit Services, 10-12 Ely Place, London EC1N 6TT.
Tel: 01-242 2905.

SUN LIFE unit services
10-12 Ely Place, London EC1N 6TT.

Investment Manager

Fixed Income Portfolios

A leading international merchant bank is expanding its multi-currency fixed income investment management and advisory activities. A further fund manager is required, with experience of international bonds, cash, and near-cash portfolios in a range of currencies and securities including gilt-edged. The client base covers corporations, government agencies and insurance companies.

A thorough understanding of modern international securities markets is ideally needed, as well as an up-to-date and innovative approach. Particular emphasis is placed on experience and capabilities in systematic, active multi-currency management. The successful candidate would also be expected to play an active part in formulating investment strategy, developing new business and client liaison.

Candidates should be used to working on their own initiative, and are likely to be graduates experienced in this field, and in the age range 27 to 35. Applications could also be considered from candidates with qualifications and experience in international economics and/or foreign exchange.

Competitive compensation will be offered, in line with the experience that the successful applicant brings to the position, and an attractive range of bank benefits.

Interested candidates should write, enclosing a comprehensive c.v., to **Martin Constable, Manager, Investment Division,** Michael Page Partnership, 23 Southampton Place, London WC1A 2BP. Strict confidentiality assured.

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Head of Public Relations

This new post has been created to co-ordinate our external and internal communications and to develop further our relations with the business community. The appointment also carries responsibility for brochure and publications design, and is closely concerned with employee communications. You will work alongside senior management both in the UK and overseas.

Ideally you should be in your thirties with several years' experience of public relations at a senior level either in a major commercial organisation, financial institution or an established PR consultancy. Knowledge of industry as well as financial markets would be an advantage as would some international experience.

Remuneration for this senior position will be based on experience and benefits will include a preferential mortgage scheme, non-contributory pension and company car.

Please write in strictest confidence to John Cameron, as adviser to the company, at *Chetwynd Streets Management Selection Limited, 10 Bolt Court, London EC4* (telephone 01-583 3911), *quoting ref. CF352.*

CJA RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

UNITED TECHNOLOGIES

OPERATIONAL AUDIT

BRUSSELS/EUROPEAN BASE **£18,000—£26,000 + substantial tax benefits**

United Technologies is the fifth largest manufacturer in the United States with sales in excess of U.S.$16 billion. Our companies are all market leaders in their various high technology fields. Recent rapid expansion particularly in Europe, has meant that 30% of audits relate to new acquisitions and European sales have increased to over U.S.$2 billion.

This expansion linked to a firm policy of internal advancement led to 17 of our worldwide staff, including five based in Europe, being promoted to key positions in 1984. Already in 1985 further promotions are scheduled.

As a result, we are seeking other highly effective leaders for our European audit staff. Successful candidates must have a clear potential for advancement. Requirements include superior communications and analytical skills, motivation to excel and a minimum of four years' financial and/or industrial experience. A second European language would be a major asset. Significant European travel is necessary, with a return to home base at weekends; while this is normally Brussels, individuals could be based in other major European business centres if necessary.

Reply in confidence, including a telephone number, to:—

MR JOHN WILLCOCKS, UNITED TECHNOLOGIES EUROPE
7 AVENUE LLOYD GEORGE, BOX 10, 1050 BRUSSELS, BELGIUM
Telephone: 02/640.23.20
Interviews will take place in either London or Brussels

Investment Director

Private Client Portfolios

Combine your proven ability in personal portfolio management with your enthusiasm for marketing and make a significant contribution to this successful and progressive fund management company.

As one of several investment directors responsible to the Managing Director you will have a highly visible role yet benefit from the security of being part of a larger financial services group.

You will have full responsibility for managing a portfolio of clients comprising private individuals, family trusts and small institutional funds. You will also play a key role in developing new business opportunities and promoting the company's services to potential customers.

Aged in your thirties you will have a sound background in investment gained in a fund management company or private client department of a stockbroker or merchant bank. Energetic and outgoing you have well developed communication skills and are looking for an opportunity which offers excellent prospects for career development.

Remuneration includes a negotiable salary c.£27,000, company car with free petrol, non-contributory pension scheme, free life assurance cover, BUPA and bonus based on performance.

To apply please write enclosing a cv or telephone Barbara Lord, Senior Consultant, Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701 (24 hours).

Cripps, Sears

Treasury Accountant

City **to £20,000**

A leading supplier of real-time information services to the financial and business community with a turnover in excess of £250 million, now seeks to recruit an additional high calibre accountant to develop information systems within the Treasury Department.

Reporting to the Corporate Treasurer, responsibilities will include:

- ★ Production of multi currency cash forecasts using mini computers
- ★ Production of monthly interest forecast
- ★ Assessment of treasury activities on profits and balance sheet

Candidates, probably aged under 30 must be chartered accountants, ideally graduates, with a minimum of three years post qualification experience with some exposure to relevant treasury activities.

An attractive package and good career prospects are available for candidates with excellent communication skills.

Candidates should write to Andrew Sales, FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 206, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

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International Recruitment Consultants
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Birmingham Manchester Leeds Glasgow

CANADIAN IMPERIAL
BANK OF COMMERCE

The longest established Canadian Bank in London is expanding its Treasury Operations and is seeking to fill the following two positions in our London Dealing Room.

CORPORATE TREASURY SERVICES OFFICER

The ideal candidate we are seeking, is currently employed servicing a client base in all aspects of the Financial Markets.

He/she will have a good knowledge of the Financial Markets, and is able to communicate in a concise and informed manner.

A working knowledge of a second language and previous trading experience in Foreign Exchange and Money Markets would be distinct advantages.

SPOT AND FORWARD DEALER

The person we are seeking to fill this position should have 3/4 years' experience trading the major currencies in the Spot and Forward markets. Additionally, experience of a second language, would be beneficial.

A competitive salary will be offered for both positions together with an excellent employee benefits programme which includes low-interest mortgage, non-contributory life assurance and pension schemes.

All applications will be treated in confidence

Write giving details of age, education and business experience to:

Mr. D. L. Lang, Vice-President, Treasury Operations,
CANADIAN IMPERIAL BANK OF COMMERCE
55 Bishopsgate, London, EC2N 3NN.

SALOMON BROTHERS INTERNATIONAL LIMITED

Associate-Investment Banking

France and Italy

Following the recent appointment of a Vice President to strengthen Salomon Brothers International's coverage of Europe, a decision has now been taken to recruit a first-class individual to fill the position of Associate, Investment Banking. Reporting directly to the Vice Presidents responsible for developing and executing business in the French and Italian speaking countries of Europe, the individual selected will be a member of a team that is involved in establishing a presence in these areas. Working closely with other members of the Corporate Finance Department and the Capital Markets Services Group, the person appointed will help market the full range of the company's investment banking products.

A suitable candidate is likely to be French with a fluent knowledge of Italian, an Italian with excellent French or of any other nationality with a fluency in both these languages. In addition to a degree from an excellent university, he/she is likely to possess an MBA qualification gained with a major US university and be aged in the mid to late twenties. He/she will have a well developed knowledge of investment banking products gained either with a reputable financial institution or in the treasury department of a corporation, governmental or supranational institution.

This is a significant career opportunity in which a suitable individual will be attracted by Salomon Brothers' reputation and the opportunity to progress rapidly in a growing organisation. An attractive salary is offered, accompanied by bonus potential.

Please reply with full curriculum details to:

St James's Corporate Consulting,
Box FT/890, St James's House,
4/7 Red Lion Court, Fleet Street, London EC4A 3EB.

COMPUTING IN THE CITY

Customer Support Executives

EXTEL COMPUTING LIMITED are market leaders in the provision of specialist financial services to major institutions.

Due to the continued expansion of our Investment Accounting Service, we are currently recruiting for our customer support team.

Ideally, you will be aged 25 to 35 with a sound knowledge of the securities industry and an interest in accounts. You will be self-motivated and willing to accept responsibility. The ability to work under pressure and communicate with customers at all levels is essential.

Salary will be based on experience and in addition there are normal large company benefits, including five weeks' holiday.

Please write in confidence with full career details to:

**Mrs K M Griffiths
Personnel Manager
Extel Computing Ltd
Lowndes House, 1/9 City Road
London EC1Y 1AA
Telephone: 01-638 5544**

Extel GROUP

Senior Trust Officer

Eagle Star Trust Company Limited, an English Trust Corporation, is a wholly owned subsidiary of Eagle Star Holdings.

Applications are invited for the position of Senior Trust Officer in the City of London reporting to the Manager. Appropriate academic and/or professional qualifications together with experience and a detailed knowledge of all aspects of trust administration including a knowledge of small Self-Administered Pension Schemes and their tax effectiveness, are essential. It is expected that the successful candidate will currently hold a responsible position in the Trust Department of a major insurance company or bank.

Salary will be within the range £17,250 to £19,500 per annum (inclusive of London Weighting) according to experience. In addition, an attractive benefits package is offered and this includes a non-contributory pension scheme and a preferential mortgage scheme.

Please send a comprehensive Curriculum Vitae to:

**Staffing Manager,
Eagle Star Insurance Company Limited,
Eagle Star House, Bath Road, Cheltenham,
Glos. GL53 7LQ.**

Eagle Star

Major Account Corporate Lending Officers

neg £15,000-20,000

Our Client, a major International Bank with an impressive range of 'top 200' company clients seeks high calibre graduate bankers aged 25-27 years with several years' corporate lending/marketing experience.

Good interpersonal skills are essential together with proven ability in business development, as the successful candidate will be expected to expand the Bank's corporate lending activity.

Although essentially U.K. based, the position will afford exceptional opportunities for career advancement, including International marketing. Good potential in this regard will therefore be looked for.

Please contact: Peter Haynes.

Investment Fund Managers

Several of our Merchant Banking clients wish to expand and strengthen their Investment Departments in the Management of both Private Clients and Pension Funds. Candidates, aged between 25/35 years, will be graduates with several years' experience of Fund Management with a Merchant Bank, Stockbroker or Financial Institution.

Highly competitive remuneration packages will be offered together with the usual banking benefits.

Please contact: Peter Latham.

Jonathan Wren

All applications will be treated in confidence.

Jonathan Wren & Co. Ltd., Recruitment Consultants, 170 Bishopsgate, EC2M 4LX. Telephone: 01-623 1266.

CAPITAL MARKET & TREASURY SERVICES LIMITED

(a subsidiary of the Mayflower Holdings Group)

require a young Broker with some Capital/Money Market experience to join an already well established team, broking in the Currency and Interest Rate Swap markets.

Please write or telephone in the strictest confidence to:

Miss Alison Morris
CAPITAL MARKET & TREASURY SERVICES LIMITED
65 London Wall, London EC2M 5TU
Tel: 01-628 4537

Economist

A leading American bank with a well-established presence in London, seeks an Economist to work in its Treasury Operation. Key requirements are a high degree of competence in economics and the ability and enthusiasm to work in a money market environment.

The brief includes analysis of the German and Japanese economies and bond markets, and assisting with the marketing of foreign exchange facilities for corporate clients. There will also be scope for the successful candidate to develop any pertinent interests, for example, in the mathematics of options, futures, etc, or in covering "minor" currencies, or in other relevant areas.

The likely age range is 25-29, but candidates outside this range will be considered. Younger applicants may need very good academic qualifications; older applicants must have appropriate experience.

An attractive salary will be offered, in line with experience and will be augmented by highly competitive banking benefits.

Applicants should write, enclosing a CV, to **Nick Waterworth** at Banking & Finance Division, 23 Southampton Place, London, WC1A 2BP. Ref: 3457. You should indicate any banks to which you would not wish your details to be forwarded.

MP
Michael Page Partnership
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London New York Bristol
Birmingham Manchester Leeds Glasgow

North American Markets Senior Fund Manager

c£30,000 plus benefits

Our client, a leading investment house with very substantial funds under management internationally, seeks an experienced individual to join their highly successful team.

Probably aged between 30 and 35, candidates should have a sound track record in investment management, with five years' experience of North American markets. Good communicative skills are essential.

Reporting to the Investment Director, the successful individual will take overall responsibility for the management of North American securities, in a variety of funds, and will head a small team of specialists. The position also involves presenting the House North American view internally and, on occasion, at seminars and external meetings.

It is envisaged that this position will appeal to an individual of high calibre who will be expected to contribute to overall strategy and the remunerative package will reflect this.

Interested candidates should contact **Stephen Embleton**, Investment Division, 23 Southampton Place, London, WC1A 2BP (01-404 5751). Strictest confidence is assured.

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Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

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Noted for our strong results orientation, we produce the highest quality work, utilising multi-disciplined teams geared to improving our clients growth and profits by:

Change through implementation rather than report writing

If you are aged 26-35, have a good degree, and can convince us that you have the necessary outstanding business and personal qualities, we will offer you a great deal of hard work and mental stimulation which will be amply compensated for in terms of rapid career development and a first rate financial package.

To find out more, write in confidence to:
David A. Harland, Director,
Kearney Management Consultants,
134 Piccadilly, London W1V 9FJ.

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EMPLOYMENT DEPARTMENT

DIRECTOR OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

£17982-£19650 (under review)

A challenging opportunity to take up a key Chief Officer appointment in the fourth-largest City in the U.K.

In 1981, the City Council set up an Employment Committee and Department to develop a planned economic strategy in response to rapid changes in the employment structure of the City. Its aim is to co-ordinate everything the City Council, working with others in the City, can do to defend and devolp existing industries and jobs, to stimulate new industries, new technologies and new products, and to strengthen training facilities and support for the unemployed.

The Director of Employment and Economic Development serves as a member of the Chief Officers' Management Team and (under the Chief Executive's leadership) co-ordinates the work of all City Council Departments in the implementation of the above strategy.

The Director is directly responsible for managing and developing the work of the Employment Department, with a staff of over 60 and its own revenue and capital resources.

The City Council now wants ot recruit someone with the stkills and commitment to consolidate and manage the work, now well-established and to help the Local Authority develop and implement a planned economic and employment strategy to tackle the problems facing the City over the next decade.

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TEL: 0742-734079.
CLOSING DATE 6TH FEBRUARY 1985.

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Business Planner

Smiths Industries is a leading U.K. manufacturing company in the engineering, electronics and medical fields and is seeking a senior business planner to co-ordinate market and technical research findings to assist the Company in its strategic planning acquisitions and divestments and to take an active part in the implementation of these functions.

The successful candidate is likely to be in his/her early thirties and a physicist or mathematician by training, with an excellent record both academically and in his/her business career. Numeracy and knowledge of finance are essential, and there should be a track record of interests in disciplines other than those stemming from original university education.

Salary will be negotiable and a car will be provided. Location North West London. If you are interested in this excellent career development opportunity, please write and send C.V. to Mr. E. G. Jones, Director of Personnel, Smiths Industries plc, 765 Finchley Road, London NW11 8DS.

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PUBLIC LIMITED COMPANY

Commodities

Deputy Managing Director

With practical trading and management experience to assume the day to day operational responsibility for an expanding major International Futures Organisation with active floor membership and an established A/E and client liaison team.

Senior Client Liaison Executive

To operate at International Board Room level for a highly respected and successful LME Ring Dealing Member.

The remuneration packages for these appointments are very flexible, reflecting our Client's interest in being able to attract the best available candidates.

Jonathan Wren

Please contact: Michael Hutchings
Jonathan Wren & Co. Ltd., 170 Bishopsgate, London EC2M 4LX. 623-1266

COMMODITIES DIVISION

Schroders

Schroder Asia Securities

Hong Kong Sales Executive

Schroder Asia Securities is a fast growing international brokerage house with offices in London, Hong Kong and Tokyo.

We are looking for a senior institutional sales executive with specialist knowledge of the Hong Kong and Singapore markets, to expand our coverage of UK and European institutional investors.

The appointment is to the London office and involves close liaison with our growing research department in Hong Kong. There will also be opportunities for travel.

The remuneration package to be negotiated will be fully competitive.

Please apply in confidence to S. N. Roditi, Schroder Asia Securities (UK) Ltd., 9 Devonshire Square, London EC2M 4YL. Telephone: 01-623 3322.

Treasury Management

Central London c£17,000

This American owned, internationally operating construction Group has a policy of steady diversification into new product, service and business areas which creates corporate growth and scope for personal development.

At present the Group's UK Headquarters monitors a diversity of projects for customers within Europe, the Middle East and Africa to a total value above £700M.

Reporting to the Finance Director, the successful candidate, ideally aged 30-40, will play a key role in further developing the treasury function especially within the areas of Foreign Exchange, Cash Forecasting and, at a later date, Investment activities.

Sound experience within the Treasury department of a company involved in multi-currency transactions and the ability to adapt to changing situations are essential.

To apply please telephone quoting Ref: FT 8955

Lloyd Chapman Associates

International Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-408 1670

Mirror Group Newspapers

Pension Fund Manager

Mirror Group Newspapers, proprietors of the Daily Mirror, Sunday Mirror, Sunday People, Sporting Life, Scottish Daily Record and Sunday Mail seek a Pension Fund Manager who will be based at their Holborn Circus headquarters.

This is a new appointment for a fund which started in April 1984 with assets of £200m plus. There are over 6,000 contributors and 3,500 pensioners. The Manager will be responsible for all aspects of the management and administration of the fund, including the full computerisation of office records and systems. The Manager will liaise with the Group Pensions Executive to ensure coordination of all aspects of pension policy in the various Associate Companies.

The successful applicant will be technically competent and have had considerable previous experience in pension administration and currently be either deputy manager of a large fund or manager of a smaller fund. An attractive salary and benefits package including a company car apply to this position. The actual salary level is negotiable dependant on qualifications, experience and potential. All applications will be treated in strict confidence and should be sent with a detailed CV enclosed in a sealed envelope marked 'Private and Confidential' and addressed to:–

Mr Alan Stephens, Company Secretary, Mirror Group Newspapers Ltd, Holborn Circus, London EC1P 1DQ.

INTERNATIONAL FINANCIAL SERVICES

SECURITIES SALES

A vigorous and expanding brokerage house seeks Sales Executives to market its services in U.S. equities and associated stocks. The company, a Licensed Dealer in Securities, is a member of an international group and is well placed to handle both institutional and private clients. A comprehensive range of services is offered in the cash and futures markets.

Emphasis will be placed on top quality sales executives able to generate business by initiating trading ideas and promoting these to clients. Research and execution facilities are excellent. Some international travel will be necessary to develop potential overseas clients.

Compensation, including performance bonus, will be negotiated to attract sales executives with proven ability to achieve high earnings.

Apply in confidence with career background to:

Box No: A. 8877,
Financial Times, 10 Cannon Street, London EC4P 4BY.

Please indicate any companies to whom particulars should not be sent.

BISGOOD, BISHOP & CO LIMITED

We require senior stock exchange member dealers, remuneration will be commensurate with dealing experience.

Please apply in writing, enclosing curriculum vitae, to:—

L. O. S. Medlam,
Copthall House,
48, Copthall Avenue,
London EC2R 7DN

All replies will be treated in the strictest confidence.

Corporate Finance

Merchant Bank

Part of a major City Group, this small established bank seeks to further strengthen its domestic Corporate Finance team.

The position reports to the Director in Charge and will enjoy substantial freedom for personal initiative in helping to build and develop the bank's Corporate Advisory Services.

The ideal candidate will be aged late 20's/early 30's, have a degree and/or professional qualification, and in addition must have a minimum of two years experience in the domestic Corporate Finance Department of a merchant bank, or possibly in the Commercial Department of a major firm of City solicitors.

Compensation, including normal banking benefits, is commensurate with the importance of the position.

Please write with full details and in strictest confidence to John Kennard, ABGH Advertising and Recruitment Services Limited, 87 Jermyn Street, London SW1Y 6JD.

ABGH Executive Recruitment

Senior Lending Officer
Take Full Credit for Expansion

You are an experienced account officer looking for the opportunity to join a small team where your full potential will be realised and rewarded with early promotion, better prospects and increased responsibility. Based in the City this significant European banking group is poised to extend and develop its UK corporate exposure thereby broadening its client base and full range of banking services.

Aged 28-35 and preferably a graduate, you are entrepreneurial, commercially minded and have at least two years' front line calling experience ideally to UK corporates. Your credit analysis experience coupled with your broad knowledge of all loan related proposals and documentation will provide you with the sound background necesary to project your progressive career through the organisation.

You will have full responsibility for managing existing and developing new client relationships. You will also have the opportunity to take an independent approach thereby giving full vent to your ideas for new product development whilst enjoying a team atmosphere. Salary is negotiable, commensurate with your experience, plus excellent banking benefits.

Please apply, in complete confidence, with your cv to Carmina Leon of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701 (24 hours).

Cripps, Sears

CONSULTANTS FOR ZAMBIA

Two qualified accountants with at least 5 years' experience are required to design and implement complete accounting and management information systems for one of Zambia's biggest co-operative unions located in Northern Province.

An attractive two-year contract, with possible assistance to externalise local savings, will be offered.

Applications with detailed cv should be sent to:
The General Manager
ZCF ACCOUNTING SERVICES LTD.
P/O Box 50794, Lusaka, Zambia
Telephone: 213414
Telex: ZA40670

Systems & Procedures Coordinator

Financial & Administrative Systems Management

ABERDEEN

If you are a qualified accountant, preferably chartered, with a strong systems background, gained in a large organisation, this demanding role will interest you.

Conoco's Northern Operations division is responsible for operating the Murchison and Hutton oilfields and for managing all other Conoco offshore activities in the Northern North Sea Area. These activities represent a considerable ongoing investment and a comprehensive series of financial and administrative controls is required to ensure the proper management of this expenditure.

This position carries responsibility for conducting management consultancy type financial investigations to ensure that operating efficiency is maximised in the light of changing requirements.

You would also be responsible for reviewing Financial Services computer systems needs including micro-computer applications and rationalising administrative procedures in accordance with corporate requirements and joint operating agreements. Additionally you would coordinate the feasibility, planning, development, user training, documentation and operational implementation of all financial and administrative computer systems on an HP 3000.

In addition to an accountancy qualification and financial management systems experience, excellent verbal and written communication skills are required, as is the ability to deal confidently with people at senior levels.

Career progression within Conoco could be in Aberdeen, other Conoco UK locations or overseas, so a degree of mobility is considered essential.

Conoco provide an excellent salary and rewards package including a non-contributory pension scheme, share ownership scheme, accident insurance, staff restaurant and, in appropriate cases, an extremely generous relocation package.

If you are interested in this position, please telephone or write for an application form, to: **Fraser Crerar, Assistant Personnel Officer, Conoco (UK) Limited, Rubislaw House, Anderson Drive, Aberdeen AB2 4AZ. Telephone Aberdeen (0224) 574631** Extension 5195.

conoco

COMPUTER AUDIT MANAGERS £17,000-£25,000 + Car London/N.W./Yorks	A major firm of Chartered Accountants seeks computer auditors aged 26-32 with large firm experience. to service a wide variety of work in the fields of both audit support and client advisory services. Candidates with strong technical and managerial ability are likely to attain partnership within the short to medium term. Ref. DES
HIGH FLYER £23,000 + Car City	A short term role in audit management with this major Europen bank will prepare the successful applicant for a move into a pure banking position. Applicants should be graduate ACAs with relevant sector exposure and a willingness to travel. Genuine commitment will be rewarded by an excellent benefits package and rapid progression. Ref. KRJL
INVESTMENT BANKING To £17,000 City	An unparalleled opportunity for a young ACA to enter the financial sector in a non-routine accounting position. Varied responsibilities will include profitability monitoring and the development of fully integrated reporting systems. Applicants should have excellent interpersonal skills and an awareness of modern EDP techniques. The appointment carries a generous performance related bonus. Ref. MJH
YOUNG ACAs c £16,000 + Benefits City	A respected City force seek "Top 20" trained accountants who can contribute immediately. The roles offer excellent opportunities to use highly advanced technology in the operation and development of rapid information reporting systems. Personal qualities must include self-motivation, persuasiveness, and well developed oral and written skills to capitalise on future career openings. Ref. RSL
ASSISTANT TO F.D. c £15,000 Middlesex	As Assistant to the European Financial Director of this multinational group you will be given every encouragement to prove your general management potential. The role is "high profile" and best suited to a self motivated, qualified accountant aged 25-30. Regular European travel is envisaged and some familiarity with US reporting would be advantageous. Ref. MJH
FINANCIAL ANALYST c £15,000 C. London	This influential reporting role is with a fast moving leader in the energy sector. The appointment offers non-routine involvement and excellent scope for rapid career development. Candidates should be recently qualified, enjoy working in an extrovert atmosphere, be able to meet tight deadlines and have excellent communication skills. Ref. KRJL

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College Hill Chambers, 23 College Hill, London EC4R 2RT. Tel: 01 248 7851/8 (24 hours)

Tate & Lyle PLC
Group Internal Audit Manager
Bromley, Kent
c. £20,000 plus car

A Chartered Accountant is required to manage the Group's Internal Audit Function. As the leader of a small professional team responsible for financial, computer and operational audit within the UK, the job holder is primarily concerned with ensuring the effectiveness and efficiency of control systems and making recommendations for improvements where necessary.

Candidates, in their early thirties, must have sound audit management experience and, where this has been gained in a professional firm, additional commercial/industrial experience is required. A knowledge of computer systems is desirable.

Proven man management and communication skills and the ability to build up sound working relationships, particularly at senior levels, are of key importance.

Other benefits include non-contributory pension and private medical insurance schemes.

Candidates should send a detailed career history to Jo Heigho, Consultant – Personnel Services, at: Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

Tate & Lyle

Corporate Finance and Capital Markets

Continued expansion by Nordic Bank PLC of its investment banking activities has resulted in a requirement for additional executives in the following areas:

Treasury Management
To develop customer relationships for swaps, caps and related products.

Corporate Finance
To assume responsibility for financial advisory services and capital raising projects in respect of UK clients of the Bank.

Equity Trading
To act as a broker/dealer in nordic shares, with particular emphasis on the Swedish and Finnish markets.

Applicants should ideally have a minimum of three years' experience in the relevant sector. These opportunities call for self-motivated individuals with initiative who would be prepared to join a challenging and rapidly developing department.

A competitive salary will relate to age and experience and will be supplemented by a full range of benefits normally available within the banking community.

Full written career details should be sent to
T. O. KOLLINSKY at NORDIC BANK PLC,
Nordic Bank House, 20 St Dunstan's Hill, London, EC3R 8HY.

Nordic Bank
a member of the Den norske Creditbank Group

Senior Marketing Associate
Risk Advisory Service

Occidental, a leading multinational with a record of innovative enterprise, is establishing in London, a Risk Management and Insurance Consultancy, using the substantial corporate resources of knowledge and experience gained worldwide in this field.

An intellectually keen and well motivated individual is sought to take responsibility for marketing and business development. Initially, there will be much travel to identify opportunities and to explore the market.

A permanent appointment within Occidental is envisaged in due course, but the post will at first be temporary, to be remunerated by an ample monthly fee supplemented by commission.

Applicants will be required to show expertise in marketing and selling of services to businesses as well as an ability to comprehend and demonstrate the significance of effective risk management on profit.

The post might well be attractive to business school graduates with a bias towards marketing/finance.

Please apply, with C.V. to: Mr. C. Stalvies, Managing Director, Occidental Risk Advisers Company Limited, 16 Palace Street, London SW1E 5BQ.

OXY

FINANCIAL EXECUTIVES

As the UK's leading consultancy in the field of current receivables management, we are looking for appropriately experienced staff to join our expanding business. Opportunities are available at all levels within the organisation, but standards are of the highest order.

Consultancy assignments are conducted throughout the UK and an element of travel, including staying away from home, is required.

Preferred age is 20 to 35 years. Salaries are negotiable but will not be a barrier to promising applicants.

Applicants who believe they have the required standard of ability should reply enclosing a personal history to Michael D. Bird, Resource Evaluation Limited, 35 Berkely Square, London W1X 5DA. Telephone: 01-409 3075.

RESOURCE EVALUATION LIMITED

CITY BANKING OPPORTUNITY

The Central Credit Division of a major international bank requires officers for its City-based operation. The sort of person we are looking for will be:

(a) Of good character, self-discplined and between the ages of 30 and 40;
(b) A good communicator with the ability to get along well with others at all levels in the organisation, both in the UK and overseas;
(c) Energetic, analytical and have a thoroughly disciplined approach to work, recognising the need at all times for setting priorities and meeting deadlines in a busy growth environment;
(d) Well educated; and
(e) Have at least five years' banking experience, preferably in a variety of disciplines and preferably overseas or in an overseas banking environment.

Although a sound working knowledge of the credit function and, in particular, of trade-related finance will be an advantage, we are not looking for credit analysts or specialists of any sort. We are looking for *Bankers.* Common and business sense will therefore be primarily important attributes.
If you think you could fit the profile described above, and have UK residential status and/or British nationality, please write in absolute confidence enclosing curriculum vitae with full details of your current and previous positions and salary expectations.
Salaries and other terms of service may vary according to age and experience but will always be thoroughly competitive and should not be a barrier to the right candidates who, if selected, will have every opportunity for career progression and advancement.

Write Box A8875, Financial Times
10 Cannon Street, London EC4P 4BY

B&W
LOUDSPEAKERS

COMPANY SECRETARY/ ADMINISTRATION MANAGER

B&W Loudspeakers are a progressive company which has shown continual expansion since its inception twenty years ago, with a current turnover of some £6 million.

The successful applicant should have at least five years experience in a similar post, be totally conversant with modern office methods and management, and be a member of the Institute of Chartered Secretaries or hold similar qualifications.

Salary is negotiable, depending on age and experience, in the region of £15,000 p.a. plus Company car, free BUPA membership and other normal fringe benefits.

Apply initially in writing, in complete confidence, to the Managing Director.

B&W Loudspeakers Ltd
Meadow Road Worthing BN11 2RX

HELBERT WAGG & Co
ANDERSON BRYCE VILLIERS LIMITED
An associated company of Schroders plc

Electronics Analysts

We are seeking to expand our coverage of the electronics and computer sectors of the UK market by recruiting experienced analysts specialising in these sectors.

The ideal candidate will be a graduate or accountant aged between 25 and 35, with a minimum two years' relevant experience, either with a stockbroker or investment institution, or with an appropriate industrial background.

While the emphasis will initially be placed on the UK quoted companies, there will be opportunities to develop an international perspective.

The remuneration package to be negotiated will be fully competitive.

Please apply in confidence to Ian Brown,
Helbert Wagg & Co.,
Anderson Bryce Villiers Ltd.,
9 Devonshire Square, London EC2M 4YL
Telephone 01-623 4500.

HW

Legacy Officer
Charity

Help the Aged, the major charity working for the elderly in need in the UK and overseas is seeking an able and experienced manager.

The task is three-fold. Firstly, you will be responsible for administering our legacy income, handling enquiries from legators and executors, checking and recording monies received, processing tax claims. In addition, you will manage our appeals to Trusts and Foundations appropriate to the charity's own objectives. Thirdly, you will manage a nationwide team of volunteers—generally retired business and professional people promoting the charity to a wide variety of professional financial advisers throughout the UK.

Based at our Central London head office, the position requires a mature methodical administrator with developed social and communications skills. A background in management, preferably in the professions would be advantageous. In addition, knowledge of the legal and tax implications of legacy would be useful.

Salary £9,821 inclusive of London allowance.

Please write in sufficient detail to make an application form unnecessary to:
Colin Mitchell, Personnel Manager,
Help the Aged, St James's Walk,
London EC1R 0BE
Closing date for applications is 30 January 1985

Help the Aged

EXPORT CREDIT CLEARING HOUSE

INTERNATIONAL TRADE FINANCE

We need immediately two senior managers to assist in the negotiation and structuring of export finance facilities with a wide diversity of financing institutions, predominantly banks, in the City of London on behalf of leading British and multi-national corporate clients.

Knowledge of export and trade finance together with experienco in international banking is essential.

Remuneration is by way of salary and performance-related bonus. A car will be provided. It is expected the successful applicants will have the necessary stature to grow with the Company as it develops.

Please send full details to: A. E. J. Killick, Managing Director, The Export Credit Clearing House Limited, 4 Deans Court, London EC4.

R.P. Martin–Bierbaum
Group of Companies

CHIEF EXECUTIVE/GENERAL MANAGER

Nine years ago I took control of a company with a negative balance sheet and a turnover of £120,000. Today my Group turnover exceeds £2m and the nett asset value approaches £300,000. To me problems are solutions in disguise and I will consider all serious propositions from principals only.
Write Box A.8870, Financial Times, 10, Cannon Street, London EC4P 4BY.

Williams de Broë
Williams de Broë Hill Chaplin & Company

Our Overseas Department wishes to recruit a business graduate for a new position in our expanding arbitrage activity.

The successful applicant is likely to have at least one year's relevant post graduate experience, be numerate, energetic and have fluency in a foreign language.

Applicants should send a detailed C.V. in confidence to Ivan Clift, Williams de Broe Hill Chaplin & Company, Pinners Hall, Austin Friars, London, EC2P 2HS.

TECHNOLOGY BANKERS
Analysts and Programmers

c. £16,00 + BENEFITS

Leading Merchant Bank requires Systems Analysts (PRI and COBOL), Analyst/Programmers (RPG III) and Programmers for their expanding technology area. Experience in IBM systems 34/38.

Also leading US Bank same general area 34/36 RPG II etc. Salary negotiable.

For further details of these and other banking hi-tech vacancies, please call:
Robert Milne 01-439 4381
CRAWFORD RECRUITMENT SERVICES

Project Director

London and overseas — Arabic speaking — c.US$55,000

Our client is a large international group with its core businesses in the Middle East although it operates throughout the world. Its activities span many fields including distribution, manufacture, transport and property.

The Chief Executive of its international operations is now seeking a high-calibre Executive Assistant who will be based in London and who will assist him in all aspects of running a number of diverse interests. He or she will mainly act as a Project Director in a trouble-shooting role and a significant amount of overseas travel will therefore be involved. Successful performance in this role could lead to a senior line-management position in a few years. Candidates, ideally in their thirties, must be fluent in Arabic and also have good English. Western educated, they must have experience of working in a multinational environment, preferably with a wide range of disciplines. A business degree would be a definite advantage. Starting salary will be in the range of $50,000 – $60,000 plus good fringe benefits.

Please send a full cv, in confidence, to A M Dickson, **Ref: GM41/9103/FT.**

PA

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ALBANY LIFE
INVESTMENT PERSONNEL

Interesting career opportunities have arisen at our Head Office in Potters Bar to work in a department controlling the administration of investments totalling £33m.

Applicants, aged 22+, should have knowledge of investments, stock exchange procedures and accounts. An ability to liaise with clients, stockbrokers, insurance brokers and other professional advisors is also required.

Excellent salary and remuneration package is offered together with a wide range of company benefits.

To apply, write with career details to:
Hilary Venneear, Personnel Officer,
Albany Life Assurance Co Ltd
Station House, 3 Darkes Lane, Potters Bar,
Herts EN6 1AH

Albany Life Assurance

A member of the £10,800 million American General Corporation Group of Insurance Companies.
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Combined Actuarial Performance Services

CAPS are the specialists in the measurement of investment performance for pension funds and investment managers. The company was formed early in 1984 by the amalgamation of the measurement services previously offered by the consulting actuaries Bacon and Woodrow, Duncan C. Fraser & Co and R. Watson & Sons.

The growth in demand for our service has created the opportunity for an investment professional to assist the Chief Executive in developing this expanding business.

The requirement is for a numerate graduate, probably in his or her late twenties. Post-graduate employment must have included direct experience of institutional investment gained with a firm of actuaries, stockbroker, investment management organisation or a pension fund. Membership of *the Stock Exchange and/or the Society of Investment Analysts would be a distinct advantage.*

This is a rare opportunity to make a significant contribution to the development of a young company. The remuneration package, including relocation to Leeds if necessary, is fully negotiable and is unlikely to be an inhibiting factor for the right candidate.

Please write with a full C.V. to Peter Roney, Chief Executive, CAPS Ltd., 11 Albion Street, Leeds LS1 5ES, or ring 0532 460416 for an informal discussion.

INTERNATIONAL BANKERS £18,000

Ambitious graduate Bankers are required for this leading Merchant Bank. The ideal candidates will have two years' marketing experience from an International Bank and wish to develop their career on international swaps, money-market operations and syndicated loans. Age mid-20s, second language helpful.

ACCOUNT OFFICER £14,000

Expanding Merchant Bank requires an ambitious graduate who has at least 18 months' experience of corporate credit and economic analysis. Working on international portfolios you will be expected to research and assess new business and market to multi-national clients.

INVESTMENT MARKETING £13,000

Rapidly-expanding investment management group urgently requires a self-motivated, articulate banker/broker with an all-round knowledge of securities/investment to act as liaison between fund managers and clients. Involved in the *marketing of new funds* you will also assist with daily administration. "A" Level education and typing an advantage. Age 22/28.

For further details of these and our other current vacancies, please ring:

Mike Blundell Jones on 01-236 1113 (24 hours)

PORTMAN RECRUITMENT SERVICES

Money Market Sales/Trading

CD's — FRN's — Euronotes

Merrill Lynch, one of the leading and most dynamic financial institutions, is expanding its Capital Markets Division and has a number of key positions for experienced professionals to complement the existing sales and trading team within its money markets operation.

We are one of the major market makers in FRN's, CD's and the rapidly expanding area of Euronotes.

The opportunities are for two people in sales/trading of multicurrency CD's, Euronotes and FRN's. We are also looking for someone to trade exclusively in FRN's.

Remuneration will reflect the seniority and performance of the individual, with excellent prospects for career development.

Please write with full career details to date to Keith A Robinson, Recruitment Manager, Merrill Lynch Europe Ltd., 27/28 Finsbury Square, London EC2A 1AQ.

Merrill Lynch

Japanese Equity Sales

Basic salary to £30,000 + bonus + benefits

Our client, a major international securities house is currently expanding its long established Japanese equity sales team, and seeks two additional sales executives.

Applicants must have at least 2 years experience in Institutional Sales and be able to demonstrate an ability to develop new business. Although preference will be given to candidates with experience in the Japanese market, applications will be welcome from those with a proven record of success in other equity markets.

The highly negotiable salary package will reflect ability and experience.

Interested candidates should write, enclosing a full curriculum vitae, to **Martin Constable**, Manager, Investment Division, Michael Page Partnership, 23 Southampton Place, London WC1A 2BP. Strict confidentiality assured.

MP

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

FOREIGN EXCHANGE DEALER
AND
MONEY MARKET DEALER

Both C£20,000

Negotiable plus benefits

We are an internationally recognised trading organisation requiring two dealers to complement our active and successful London Dealing Team.

Both candidates should be aged between 25-30 years with two to three years' relevant dealing experience.

Ideally the Foreign Exchange Dealer will have gained his experience on an active desk with a major Bank or similar, while the Money Market Dealer should have experience in all aspects of U.S. dollar and sterling-related markets, including financial futures.

Applications, which must include a full curriculum vitae, should be addressed under "Private and Confidential" cover to:

The Personnel Manager
Box A8878, Financial Times,
10 Cannon Street, London EC4P 4BY

BADENOCH & CLARK

CREDIT ANALYST

To £18,000 + Benefits

Our client, a major International Bank with an expanding Corporate Banking Department in London, is looking for a young banker with a strong credit training to augment its analysis team. Interested applicants will have at least two years' experience, gained in a recognised commercial banking environment, which they will be ambitious to utilise in this dynamic organisation. This position offers exciting prospects and an attractive remuneration package.

ELECTRICALS/OILS ANALYST

c. £15,000 + Bonus

One of the leading firms of stockbrokers is seeking to extend its sectoral research capacity. Our client has an excellent reputation for servicing its institutional clients and has scope to take on an additional young high-calibre analysts, specialising in either oils or electricals. This position would be suitable for bright graduates with 18 months' experience in a large broking environment. The successful applicant will be working closely with the institutional sales team and thus requires commercial awareness and good communication skills.

To arrange an informal discussion of these positions please contact Christopher Lawless B.A. or Stuart Clifford B.A.

Financial Recruitment Specialists
16–18 New Bridge St, London EC4V 6AU
Telephone 01-583 0073

ECONOMIST

The Woolwich is one of the UK's largest building societies, with assets of more than £6 billion, and a network of over 390 branches. As a result of internal promotion, we are *seeking an Economist, to work within our Planning Division* based at the Society's Chief Office in Woolwich.

In addition to the economic analysis and assessment which forms a fundamental part of the Society's operational and strategic planning, the successful applicant will be involved within the wider work of the Division, embracing forecasting, research, and the assessment of new markets.

Essential requirements are a good first degree in economics, *together with at least three years business experience,* preferably within the financial sector (or closely related to it), but candidates will, in any event, need to demonstrate a thorough understanding of the primary economic influences within the financial sector, particularly in the light of the major structural changes occurring within the financial services industry.

The post carries an excellent total remuneration package *worth around £15,000 p.a. which includes concessionary* mortgage facilities and free BUPA cover.

Applications giving full details of career history to date should be sent to: M. A. Plummer, Personnel Manager, Woolwich Equitable Building Society, Equitable House, Woolwich, London SE18 6AB.

WOOLWICH
EQUITABLE BUILDING SOCIETY

PARTNER'S ASSISTANT

Private Client Partner of leading Stock Exchange Member Firm requires a young assistant familiar with all aspects of Private Client administration to ensure the smooth running of an expanding business. Preferred age 21-25.

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01-930 0322

Senior Banking Systems Consultant

c£20,000 plus car and bonus

The modern International Banking Community relies heavily on the use of sophisticated trading and operational systems, systems that provide up-to-the-minute information on their world-wide trading activities to dealers, back office and management staff. **Our client is the London subsidiary of a multi-million $US corporation** that has been a market leader in international banking information systems for over the last decade.

To ensure their continued success, they now wish to recruit a senior banking systems executive, who will play an integral part in the realisation of future objectives. Reporting to senior management you will assume responsibility for the development of an expanding team of banking consultants. Specific duties will include ultimate control of all new projects to ensure that all systems customisation/enhancements fully meet user requirements. This will involve considerable liaison with both clients, in-house technical support and customer consultancy services.

Candidates (aged 27-35) will preferably be graduate accountants (or similar qualification) with a comprehensive knowledge of international banking/financial markets, having spent a minimum of 2 years with a large international bank or consultancy firm. You will be self-motivated and confident with well developed management and interpersonal skills. The ability to communicate effectively, work under pressure and to strict deadlines is essential.

For further information please write enclosing full C.V., or telephone Martin Krajewski in strictest confidence.

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP TELEPHONE 01-628 2441

Firth Ross Martin
Financial & Professional Selection Consultants

YOUNG GRADUATE

with Computer Experience

£12-16,000

A small, rapidly-expanding Currency Risk Management company is looking for a young graduate, 23+, to undertake a software development project in portfolio management. The successful candidate will be familiar with FORTRAN, PASCAL or BASIC and be prepared to work in an unstructured environment to demanding deadlines. He/she should expect to move into a role with dealing responsibilities and client contact as the project reaches completion.

The salary package is negotiable according to age and experience and includes a non-contributory portable pension scheme and life assurance. Prospects are outstanding for the right person.

Write, enclosing curriculum vitae, to:

Les Halpin, Financial Manager
N.P. RECORD LIMITED
16 High Street, Windsor, Berks SL4 1LD

CORPORATE FINANCE

A young private investment banking firm requires an experienced Corporate Finance Executive to join a highly professional team. The successful candidate will be required to devise and implement the formation of specialist investment vehicles, assist in the preparation and implementation of Eurobond financings and to render financial advice relating to mergers and acquisitions. This is an attractive opportunity for an executive with entrepreneurial ambitions who has the ability to work *independently.*

Candidates, aged 25-30, should have a degree (or equivalent) supported by a professional qualification or 2-3 years' working experience in corporate finance with a financial institution.

In addition to a competitive salary we offer a range of fringe benefits including a bonus scheme. Please write in complete confidence with a full c.v. to:

Box No. A8871
The Financial Times, 10 Cannon Street, London EC4P 4BY

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Bristol	0272 277315	30 Baldwin St.
Edinburgh	031-226 5680	47a George St.
Glasgow	041-332 3672	180 Hope St.
Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse, Faulkner St.

The one who stands out

TREASURER — Brussels

International Group with Brussels HQ seeks commercially minded Treasurer with a proven track record in an international environment. Varied work provides unusual job satisfaction plus excellent terms. An immediate start is envisaged. Age 35-45.

Apply with full details to Box A8874, Financial Times
10 Cannon Street, London EC4P 4BY

BUILDING ANALYST

A well-respected, medium-sized firm of London stockbrokers seeks an analyst to work on Building Sector shares as part of an enthusiastic and ambitious team with an established track record.

Building Sector experience, whilst desirable, is less essential than proven analytical ability coupled with fluency in verbal and written communication. We recognise that the successful candidate may have developed these skills either in the City or in some other commercial, industrial or academic environment.

A fully-competitive remuneration package is offered and success will be recognised and rewarded.

Write in confidence, with curriculum vitae, to
Box A8880, Financial Times
10 Cannon Street, London EC4P 4BY
giving the names of any firms to whom applications are not to be forwarded.

Accountancy Appointments

ACA/ACCA

£16-18,000 + Car

Rapidly-expanding computer company seeks young qualified accountant (26-32 yrs) to assume full responsibility for company accounts. Excellent prospects for dynamic, career-orientated person.

Write, with full c.v., to:

Abacus Recruitment
30/31 Queen St., EC4
01-236 0642

European Controller-Finance
Publishing

Central London **c.£25,000 + Car**

Our client, a subsidiary of a major U.S. publishing and communications group is seeking a Controller – Finance for its European Head Office.

A chartered accountant, aged 30-35, with sound commercial experience gained within a service industry is sought for this appointment. Previous exposure to U.S. accounting principles and reporting requirements, together with a knowledge of micro computer applications is essential.

Specific responsibilities will include strategic planning, investment analysis of new and existing products, co-ordination of foreign exchange rates and forecasting. However, this is more than an 'accountancy' appointment. The role will appeal to a self-starter able to make a positive and immediate contribution to the professionalism and strength of the European finance function in preparation for its proposed expansion to cover all international operations outside the U.S.

The environment is demanding and stimulating and the Controller will be involved in extensive interdisciplinary and international liaison. This is a 'high profile' position and considerable local and corporate promotion opportunities will exist for the successful candidate.

Please write in confidence, enclosing career details and quoting reference T3050, to Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

PEAT MARWICK

Financial Management Consultants

London, Birmingham & Manchester

Up to £25,000 + Car

We are looking for a number of high-potential financial management and systems specialists.

As one of the leading and fastest growing management consultancy and accounting practices in the U.K., we work with a variety of industrial and commercial clients across a wide range of sectors, as well as being involved in major assignments in the public sector. To operate effectively in this environment you must have:

- A good first degree and a recognised accountancy qualification
- At least seven years' experience in profit driven companies leading to a senior management position
- A willingness to operate, contribute and learn within a team environment
- A comfortable persuasive presence at boardroom level

With us, you will have the opportunity not only to broaden your industry and application experience, but also to add to your technical and management skills. Promotion is based strictly on merit, and our future growth ensures opportunities for continuing career progression.

If you are aged 27-38 and are interested in joining our London, Birmingham or Manchester Offices, write to Jo Cutmore (quoting Ref. FM/1/FT) giving concise career and personal details.

Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

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GUIDE TO RECRUITMENT CONSULTANTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We will be including in this feature "The Newly Qualifieds' Guide to Recruitment Consultants." Entries in the giued will be charged at £55 which will include company name, address and telephone number. Extra lines will be charged at £11 per line.

For further details please telephone:

Mike Hills
on 01-248 4864
or
Robert Winter
on 01-236 9763

Financial Controller
Reinsurance

City **From £25,000 + Benefits**

Continental Reinsurance Corporation (UK) Ltd., a subsidiary of a major US group, has gross premium income of approximately £37 million per annum in all classes other than life.

The Controller will take full responsibility for all aspects of the financial work of the company. In addition, he or she will act as Company Secretary, working closely with, and directly responsible to, the Managing Director.

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THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Tim Bell: a high flying enigma

Feona McEwan on a controversial move in UK advertising

SO THE two men credited with building up two of the most influential advertising agencies in the UK are to join forces. News that Tim Bell of Saatchi and *Saatchi is switching to* rival agency Lowe Howard — Spink Campbell-Ewald to join his old friend Frank Lowe, ends weeks of speculation and provides the industry with its most intriguing move of the New Year.

As opposite numbers, they *each made their mark in the* 1970s, when as managing directors, Bell steered Saatchis to its position of dominance as a "business" agency and Lowe built Collett Dickenson Pearce into the premium "creative" agency.

In a "people business" like advertising, migration of luminaries is noted with as much interest as account moves. Since both Bell and Lowe are charismatic and ambitious men, *the high octane combination* will be one to watch.

Bell is also a man of influence: both as the man closest to the engimatic brothers Saatchi during their phenomenal rise from nowhere to become the world's fifth largest network, and for his *links into high political circles;* he is said personally to have the ear of the Prime Minister. Certainly in his office is a signed picture "From Margaret, with love." The National Coal Board's Ian MacGregor is also known to value his advice.

Bell is one of the most like*able men in the business, with* an easy confident manner and a glamour that appeals to gossip columnists. "He is an immensely attractive individual," says Martin Boase, chairman of Boase Massimi Pollitt, "and can be a very good friend, if you can get a word *in edgeways.*" *A curious* mixture of laidback ease, only the chain-smoking gives away his restless energy. Work is a round the clock activity that knows no closing time; he puts his success down to "enthusiasm, terrific energy and a belief that life should be exciting."

After 15 years—"half my working life"—at the heart of the Saatchi organsation, if not as captain, then as pilot, many wondered where next? "I've just shown everybody," he says enigmatically. "Simply time to move on," is how he explains his surprise move. "I've worked at the top of the best advertising agency in the world and *now I'm going to work* at what could become one of the best. . . ." There's plenty of room he believes for more than one shade of execellence in the business. "If you want an example of competition working, look at the ad industry," he says. "What comes out of it is better and *better advertising.*"

But there's more to Bell's move than that. As a founder member of Saatchis (he remains a large shareholder) Bell had become something of an enigma there recently. His years as managing director and then international chairman of *Saatchi and Saatchi Compton* Worldwide were followed by a long absence early last year for health reasons. In effect, he has been uninvolved with the daily running of Saatchi matters, domestically and internationally for about 18 months, busying himself latterly in *political and public affairs* matters.

Hindsight

Trying to fathom the cause of the disenchantment between Bell and his *alma mater* is like trying to catch a cloud. What is clear is that he became less involved in Saatchi corporation matters and in mid-1984 set up its public affairs unit. An early client was the National Coal Board, but fearing Tory Party conflict, it was directed to Lowe's by Bell who remained its advisor. Signs, with hindsight, of the move to follow?

There are those who point to a curious irony in that the corporation he helped build is ultimately unable to accommodate its high-spirited engineer. Or *perhaps when the nature of* the company changed to a more formal footing, when the thrill of the chase, the bricklaying was over, that the project ceased to engage him. One thing's for sure, Bell (nor Lowe for that matter) is not a "company" man in any traditional sense. *Their style is unorthodox, theirs* is a flair that does not always sit comfortably in "institutions."

He was a natural front man *for the press-shy Saatchi* brothers and as "new business" orchestrator in the steamrolling 1970s, his persuasive clout found favour with clients, creative teams and account handlers alike. As managing director he worked on most client accounts, such as Rowntree Mackintosh, Schweppes, British Caledonian, Procter & Gamble, Sainsbury.

Like a number of top agency managers, Bell was originally a media man—involved in buying airtime on television. Now 43, he first made his name in the early 1960s as a time buyer at Colman Prentice & Varley. "*He was quiet and very, very* capable," says Frank Monkman, the then media director, of the 22-year-old Bell. "One of the best in the country."

Brief spells followed with Bates, and Geers Gross (his first experience of a public quoted agency) before Saatchi snapped him up.

Bell quickly applied his talent in buying to selling. "A first class salesman," says Ron Leagas of Leagas Delaney, who for nine years worked with him at Saatchi. "He could sell his way out of a lead box. He has amazing instincts. He could go *into a meeting,* with no briefing, having never met the audience, nor seen the presentation and in two minutes pick it up and dominate."

He could command a roomful of high-ranking executives armed with only a handful of storyboards, often as not on *bended knees explaining* the finer points of an issue to members of the audience.

Bell himself attributes his success to the brothers, "who taught me to believe that all things are possible.

"It is entirely my good fortune that I met the brothers during their period of phenomenal growth," he explains. "Those early years gave me the experience and learning which virtually no one else has had other than as a proprietor."

He is at pains to stress that his leaving is "not a comment on Saatchi but rather a comment on Lowe Howard-Spink and a comment on me. I would like to believe it is possible to leave here and start the next *stage of my career without it* being seen as a criticism of Saatchi or some disadvantage being caused by my being at Saatchi. It's simply time to move on."

Roger Taylor

Tim Bell: "It's simply time to move on"

Though parallels with the Saatchi empire are spurious, since it is generally regarded as a one-off phenomenon, Lowe Howard-Spink has shown several likenesses.

Lowe is known to admire Charles Saatchi greatly, since their Collett days together and before when they were both at Benton and Bowles. Like Saatchi he engineered a reverse takeover of an established giant; in his case, he backed into the sleepy Wasey Campbell Ewald, which in turn offered links with the world's largest advertising network, Interpublic.

This brought his young agency international muscle, major clients and a certain "respectability." Since then LHSC-E has gone public with billings now topping £56m, ranking number 18 in the UK. Three and a half years ago the agency didn't exist. Industry observers will recall the daring Saatchi takeover of Garland Compton in 1982 which marked a turning point for the company.

"People had to take them *seriously after that,*" *one observer* says. "Everyone thought the Compton blue-chip clients would move on — the Procter and Gambles, Cadbury Schweppes. But they all stayed. It was a brilliant piece of strategic work and Bell was instrumental in it."

It remains to be seen how the Lowe-Bell chemistry will work and what it will mean for the agency. Lowe, for the moment, is delighted with his new chief executive who moves to Bowater House in Brompton Road any day now. Meantime speculation that the Tory Party might follow suit is said to be groundless. "There is absolutely no doubt it will stay at Saatchis," says Bell, who will remain as political advisor to the Saatchis.

At Central Office, Gordon Reece, the mastermind behind Mrs Thatcher's election campaigns, said: "Saatchis has been a very successful agency for the Conservative Party and we have no intention of walking away from success. We would have been sorry to see Tim go but as we understand it he will continue to work on the account."

Hill & Knowlton

In last week's table of UK PR companies, the fee income for *1984 for Hill & Knowlton* was omitted. This should have read £2.2m.

British companies display poor marketing instinct

Carla Rapoport on findings of a comparative study

MARKETING has never been among Britain's strong points. But why should British managers working for Japanese companies in the UK be so much better at marketing than their counterparts in rival companies?

Bradford University Management Centre, funded by the Economic Research Council, recently examined this question in a study* of nearly 40 UK and Japanese companies† operating in the audio equipment, microwave oven, machine tool and copier markets. Its findings *will make depressing reading* for British managers. The study confirms that Japanese companies instil a need to win in their UK employees. At the same time, British marketing men remain largely defensive and complacent, according to the study.

"The need for action on the part of British companies is clear," says Peter Doyle, Bradford's Professor of Marketing and co-author of the study.

Briefly, the study came up with the following points:

- **Only a third of the UK companies felt they were "good at sales and marketing." The UK companies showed a marked ignorance about customers' needs and competitive products.**
- **While 87 per cent of the Japanese companies gave "aggressive growth" or "market domination" as their goal, UK companies most frequently listed "maintenance" of the "prevention of decline" as their goal in the marketplace.**
- **Over half the UK companies said they were "poor" at differentiating themselves from their competition. They relied on low prices, a traditional brand name or the "buy British" preferences of local consumers.**
- **In some markets, the traditional roles of Japanese and British products are being reversed. The British product is now seen as the cheap alternative, the Japanese as more expensive and desirable. "Poor marketing, weak design and insufficient attention to the changing consumer" is in danger of leaving UK *firms at the low, commodity* end of the market, the survey notes.**

Part of the reason for the weaknesses found in UK companies, according to the Bradford study, is due to the traditional organisational structure of the UK groups. This structure spreads out authority so that no one person is responsible for championing a particular product. Budgets and computer backup are often insufficient for planning specific product strategy. By contrast, all the Japanese companies were organised by product lines, most of which were individual profit centres.

But British managers working for Japanese firms were not pressed into the stereotype of the Japanese manager, in terms of shared values of harmony or team spirit. "Working for most Japanese subsidiaries in the UK was pretty much like working for a *well-managed company* anywhere," the study notes.

In conclusion, the study makes some recommendations *for British firms:* British companies should break down their top-heavy functional structures into smaller business units oriented around a product and market. Responsibilties and computer systems should be geared to the market performance of in*dividual products rather than* production of financial aggregates.

British companies also need to develop more of a marketing culture, the study states. "Too many are dominated by short-term profit considerations or an over-emphasis on traditional production skills. The chief executive should take the lead in demonstrating a commitment to market leadership," *the authors state.*

And not too surprisingly, the academics make a call for better professional education in marketing. "Too many British managers appear to lack basic marketing skills," the study concludes.

* *A comparative investigation of Japanese marketing strategies in the British market by Peter Doyle, John Saunders, and Veronica Wong. Bradford University Management Centre, Emm Lane, Bradford BD9 4JL. £2*

† *Companies participating in the study: Japan based: Akai, Canon, Hitachi, Nakamura Tome, Niigata, National Panasonic, NSK Bearings, Pioneer, Ricoh, Sansui, Sharp, Sony, Takisawa, Toshiba, Yamazaki. UK: Alba, Amstrad, Beaver Machine Tools, Binatone, Colchester Lathe, Ferguson, Fidelity Radio, Gestetner, Kearney and Trecker Marwin, Rank-Xerox, RHP Industrial Bearings, TI Creda, TI Matrix and Herbert Churchill, Tricity, Wadkin.*

THE ARTS

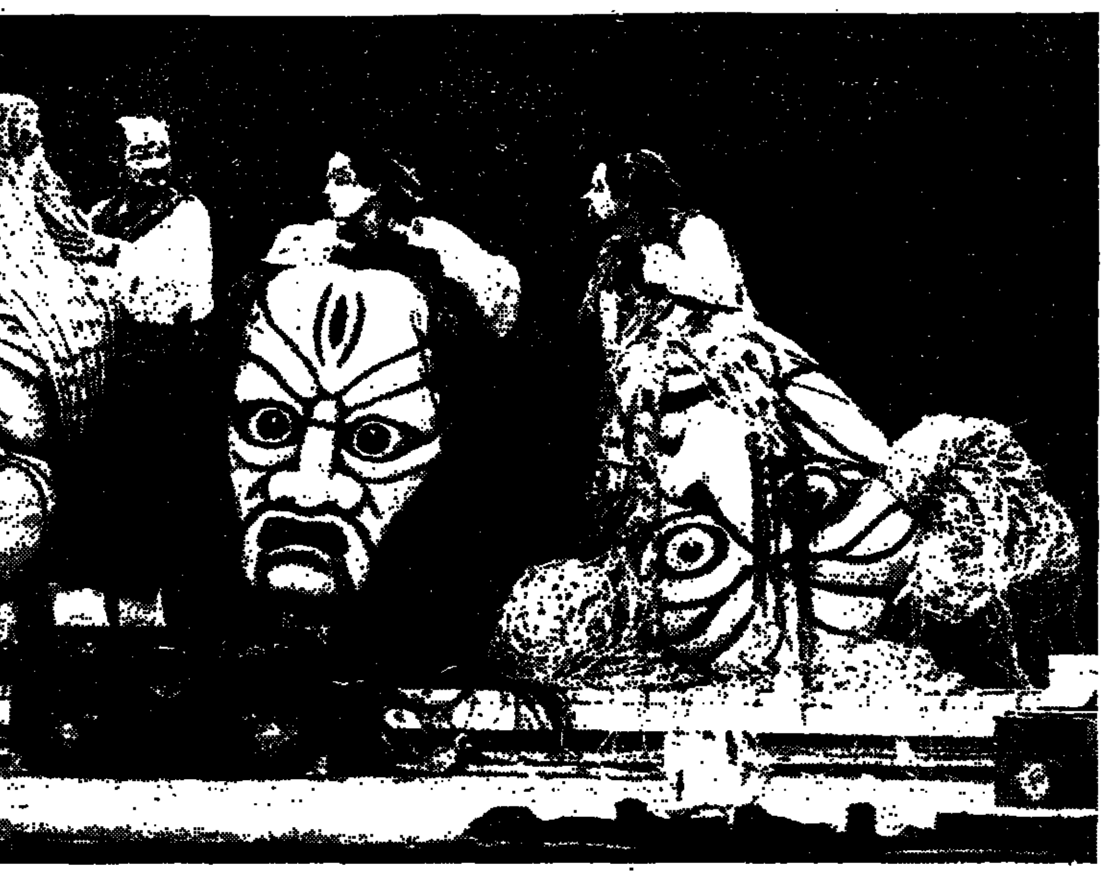
Theatre design/Roy Strong

Empty flats and borrowed plumage

It is the sad fate of theatre design to be subject to the pen of critics of the performing arts whose visual sense can generally be categorised as, at best, variable and, at worst, downright ignorant. Not that I would let the art critics loose, because their visual premise is what they have last seen at the Venice Biennale. Theatre design is a strange if minor art, the one of placing and moving figures in a constructed artificial space to meet the demands of text and director. It is the careful consideration as to whether the designs have met these demands which is the determining factor of their success.

1984 was, I would have thought, rather a dull year as theatre, like all the arts, was haunted by money problems. As costs soar we have moved into the era of borrowed plumage. *Andrea Chenier* came to Covent Garden from Cologne, rather successfully, but with an odd set of credits: "Design concept by Ezio Frigerio" and "Designs executed by William Orlandi" leaving one wondering who did it. This followed a *Mahon* from Hamburg in 1983 which is visually best forgotten. More bizarre, however, was the English National Opera's restaging of a late 1960s production of Verdi's *Sicilian Vespers*.

The result was a period piece in every sense. More intriguing were the various attempts to solve the problem of staging the great 19th century operatic and balletic warhorses in terms of diminished modern resources. *Aida* at Covent Garden, which suffered a trouncing at the hands of the critics, made use of a vast sphinx-head centre stage. This not only had a detachable wig and movable beard but was turned first this way and then that. Understandably when the famous triumph scene was reduced to school sports' day gymnastics and a couple of trumpeters before a cloth of an Egyptian bas-relief of a procession, the audience jeered. In this instance economy ran counter to the concept of *Aida*, *ab initio*, as spectacle. More successful were *Boris Godonov* and *Turandot*. Both reached the same formula of a tiered arena theatre. On the whole, Sally Jacobs' designs for *Turandot* worked better, although she was let down by her director who failed to make use of her set and whose inventiveness had reached the level of paper streamers by the end of act one.



The London premiere of Turandot at the Royal Opera House last September

By far the most distinguished designs in this vein were those by Philip Prowse for the Sadler's Wells Royal Ballet production of *The Sleeping Beauty*. Although like Georgiadis he reaches for his pot of gold a little too often, the architectural set designed for many stages on tour moved effortlessly evoking baroque chapel, Versailles garden, wood (less successful) and final palace glory with no feeling of having been sold short. At long last Wright and Prowse have broken the spell of the Ashton-de Valois-Messel format which has bedevilled every attempt to redo this ballet at Covent Garden.

The latter has continued its *policy of using modern painters* for sets for one-act ballets. Rarely do these artists do anything other than paint another one of their pictures which is then blown up and dropped on stage. Patrick Caulfield's set for Corder's *Party Game* was a typical instance of this depressing genre. So strident was the set that the movement of the dancers was obliterated. Only those artists of distinction who are prepared to learn the art of design, such as Georgiadis or Sonnabend, are successful on stage. Workshops and wardrobe shudder each time they have to work with people totally ignorant of even the basics of stage technique.

Another way of coming to grips with costs is the co-production. ENO's *Mireille* was a joint work with Geneva, the result being one of the lowest manifestations of design seen on stage in 1984. Indeed now that ENO is so much in the limelight one might add that of all our national subsidised companies it has the poorest design record. It may be argued that this is due to lack of money but money cannot give either commitment or taste and both are missing from a view of opera which works from the premise that it *is not a marriage of equal art* forms. Interms of design Timothy O'Brien's *Mastersingers* offered by far the best sets and costumes to be seen at the *Coliseum for a long time*. Aided by the cool, golden lighting of Nick Chelton we were presented with a series of breathtaking tableaux under the aegis of Elijah Moshinsky rich in references to the Dutch genre painters of the Golden Age from Sanraedam to de Hoch.

The commercial theatre is not usually noted for its subscription to design standards but one of the most striking sets this year was that by Carl Toms for *The Aspern Papers*. Conceived in sharp perspective with precise architectural detailing, one sensed the ascent of a vast staircase from the Grand Canal, the rooms beyond the double doors *at the back and terrace and* garden falling away to one side. John Napier, whose *Nicholas Nickleby* rightly won applause, really must stop constructing every set from the junk yard. *Starlight Express* was in this manner, so was his *Mother Courage* with its curious wagon which reminded me more of Emmett than Callot.

The latter brings me to the two national drama companies. Whatever else was wrong with *The Happiest Days of Your Life*, Carl Toms's set was not one of them. The other happy visual memory was Bob Crowley's *Measure for Measure*, evoking the 18th century theatre as we see it in paintings of scenes from Shakespeare by Zoffany. Other productions, such as *Henry VIII* and *The Comedy of Errors*, are best forgotten so wilfully perverse were they in concept. At the National Theatre Alison Chitty's *Venice Preserv'd* presented many a noble scene and John Bury's *Coriolanus* demonstrated yet again the vitality of this designer's contribution still after two decades of working with Peter Hall. Perhaps this year's greatest treat was John Gunter's sets for the Frayn-Chekov *Wild Honey*. We had the view from the terrace and then the whole thing in reverse. *Nor will audiences ever forget* the excitement as the final train hurtled its way toward then, a *coup de théâtre* worthy of Drury Lane in the old days.

Le nozze di Cherubino/ Jeanetta Cochrane

Rodney Milnes

Some years ago Peter Ustinov recorded a sketch called "Mock Mozart," which lasted for about four minutes and was tolerably amusing to listen to, once. Giles Swayne's new opera, written along roughly the same lines, lasts *for nearly two hours and* is not. The only real point of interest at Tuesday's premiere was how on earth this witless farrago ever came to be put before a paying public, let alone published by a reputable house.

Mr Swayne's own libretto, written and sung in Italian (there were Italians neither in the cast nor, probably in the audience), is an amiable pastiche of Da Ponte, successful at the level of a New Statesman *competition* and, again, tolerably amusing for a page or two. The plot is a rerun of Mozart's *Figaro*, with Cherubino returning from military service and seeking to marry Barbarina in *the face of opposition from the* Count; there are surprise revelations of parentage leading to a contrived happy end. To add interest (I use that noun relatively) Donna Anna and Don Ottavio are introduced as Lesbian and closet queen to pursue the young couple; in the event, Ottavio was played as a right raver, and so was Basilio. To have one music-hall queer in your opera may be counted as mischance; to have two looks *as if you're doing it on purpose*.

Mr Swayne's score is also bloodless 18th-century pastiche, innocent of musical characterisation save for that inherited from the original. The accompaniment is for two harpsichords, cello and bass; those characters not singing sit with music stands and add scat orchestral parts *à la* Swingles. On occasion it seemed there might be some "wrong note" writing to add relative interest but no, it was just that everyone was out of tune — and out *of synch; the standard of* ensemble was unacceptable. Just as there are quotes and allusions in the libretto, so there are in the score. Recognition Sextet, "Porgi Amor," "Dove sono," and so on, are cited as models, presumably as an act of homage; to my mind the results are simply insulting, with acres of music that would have made Salieri himself blush.

There was some truly dreadful singing, especialy in the tenor department, and the brave efforts of some talented artists coping with impossibly written vocal *lines should* be saluted; they included Linda Hibberd (Cherubino), Birgitta Angsmyr (Barbarina), Patricia Cameron (Countess) and Garrick Forbes (Bartolo). The composer conducted. The producer (Michael Hunt) failed to find a consistent style, merely stumbling from one bad idea to the next (having Basilio *raise his* habit to reveal a pink suspender belt was one of the worst). The performance as a whole aimed at a level no higher than that of country house charades.

I must add that a well-*disposed audience composed*, it would appear, largely of family and friends Mr Swayne is well connected) gave the opera an enthusiastic reception, thus setting the seal on an evening of British shamateurism at its most cringe-making. I *felt* ashamed to be there.

Dang Thai Son/Wigmore Hall

David Murray

This young Vietnamese pianist won the Warsaw Chopin Competition in 1980 against some strong rivals, though the *name of Dang Thai Son hasn't* so far become one to conjure with. His Tuesday recital was his London debut; it included Chopin, of course, and Prokofiev's Sixth Sonata (perhaps a gesture to his Russian training), and—less expectedly—the first book of Debussy's *Images*.

He demonstrated not only strong, acurate fingers, but severely impressive conviction in his various readings. It was surely misplaced in Debussy: though the rapid flickering of "Mouvement" suited him well enough, the ampler sonorities of "Reflets dans l'eau" and the "Homage à Rameau" sounded starved. Neither got the long *rhythmic periods it deserved*, but was subjected instead to a kind of calculated whimsy, with a different tempo every couple of bars; the "Reflets" became a series of fitful splashes, and the gravity of the "Hommage" was lost altogether.

The Prokofiev Sonata was far more idiomatic, even to the point of daunting stridency at the start. There were hints of cautious warmth in the middle movements, but implacable drive was the keynote. It was all rigorously articulate, with each new idea sharply pointed. What was imperfectly conveyed *was the emotional* depth of the music — not, I think, because the pianist was unaware of it, but simply because his unbending manner needs to mature further. His intellectual command of the material was not in doubt, nor his steely technical control.

Most interesting was his Chopin, which indulged none of the liquid sounds favoured by Western players (Dang Thai Son prefers to exercise extreme parsimony with the pedal). The late E-flat Nocturne, op 55 no. 2, clicked brightly through its decorative elaborations like a tightly-wound watch, but very knowing and artful. The B-*flat minor Scherzo, which* is anyway uniquely gruff among the scherzos, emerged rather well in his brusque treatment, and the early op 16 Rondo — an enterprising choice — gleamed like enamel. Best were a trio of Mazurkas, none very danceable but each pungently characterised, smokey and wry. An interesting pianist, if not an ingratiating one: if maturity brings more expansive interpretation he will be remarkable.

Zurich reopens in full spate

With a precision typical of Switzerland, the Zurich Opera House has reopened to a spate of new productions, betokening a company that has been saving its energies for two and a half years. There has been a sprinkling of artistic excellence in all this activity, but the most striking success is the building itself.

Gone are the anti-riot boards, the makeshift entrance, the burrow of tunnels to the restaurant and the general air of shabbiness. The former pressure on space has been eased by the addition of a functional block alongside, housing administrative, catering and rehearsal *facilities, and respect*ing the theatre itself as a free-standing structure.

After sampling the acoustic from gods and stalls, I can vouch that the boxed sound of the auditorium has been improved; and the neo-baroque design and stucco work — the trademark that distinguished the work of the Viennese architectural team of Fellner and Helmer in a number of European cities a century ago—has been nicely pointed up, with the overall sense of proportion underlined afresh.

The renovation went well over *budget* and *will* be remembered as the tinder that sparked Switzerland's worst experience of youth unrest. It has been worthwhile, however, if only to prove the value Zurich places on the arts and to show that certain types of theatre can be a work of art in themselves.

The choice of repertoire for the opening celebrations was true to the traditions of the house. A new *Meistersinger* production, recalling Wagner's close associations with Zurich during his Swiss exile, brought a festive air to the proceedings. At the other extreme, the commissioning of a new opera—from Rudolf Kelterborn (born 1931), doyen of Switzerland's living composers—brought to mind Zurich's pioneering role in a number of world stage premieres, including *Lulu* and *Moses und Aron*.

It would be foolish to suggest, however, that *Der Kirschgarten*, Kelterborn's fourth opera, will make a corresponding impact on the history of opera. It was presented in the most flattering light possible — the kind of sympathetic musical and visual production that most composers dream about—but the work seems dotted with flaws that make me suspicious of its potential in the long term.

Kelterborn has based his libretto on Checkov's play *The Cherry Orchard*. The four acts last about two and a half hours, and there are ten principal *parts, each of which is* well characterised and makes attractive demands on the voice. Kelterborn's musical language is basically serial, but there are sufficient references to diatonic harmony, drawing on a clear-textured orchestral pallette, to *give the work an approachable* character by contemporary standards.

Kelterborn presents the orchard not as the embodiment of an old and cherished way of *life but as a metaphysical sound*ing board or prism, projecting the hopes and fears of each character. This gives a detached air to the proceedings and leads to an ending that is unexpectedly optimistic. But it is not a *formula* that offers much scope for variation in pace or dramatic momentum. Kelterborn reveals himself as more of a psychologist than a man of the theatre; his music is fundamentally non-dramatic and his inspiration too patchy.

In the first act, for example, he has nothing new, interesting or relevant to say, except perhaps in his use of percussion for the creation of mood. Indeed the main impression here and in several other sections is of a succession of glacier-like blocks of sound, slow-moving and characterless. The opera's most effective passages are the lyrical musing of the governess, a mezzo soprano, at the start of act *II*, intertwined with the dreamy vocal decoration of Anya and Trofimov, a high soprano and young tenor; and the *molto agitato* and *staccato* accompaniment to Lopachin's speeches, characterising the disruptive, uncertain world he represents.

Ralf Weikert conducted a relaxed and lucid account of the score. Each of the singers was *of international standard*, with outstanding contributions from Ann Marie Robertson as Anya, Peter Straka as Trofimov and the baritone Hanshelm as Lopachin. Nikolaus Lehnhoff, together with his decor and costume designers Andreas Reinhardt and Tobias Hoheisel, was responsible for one of the most imaginative and stylish productions I have seen of any opera, resisting the temptation to show any vestige of the orchard itself, and displaying a clarity of purpose and focus that elevated the work.

Andrew Clark

The FT lecture

The full text of the second Financial Times lecture, given by the composer Alexander Goehr at the Barbican in London on Tuesday, will be available soon free of charge from the Financial Times Press Office, Bracken House, Cannon Street, London EC4 (01-248 800, ext 4123).

National Gallery record attendance

Nearly 3m people visited the National Gallery in 1984, which continues the upward trend over the past three years by topping the previous year's record of 2,896,676.

Stockhausen/St John's

Andrew Clements

If any of the modest audience for Sunday night's New Macnaghten concert had been encouraged to attend by the prospect of more Stockhausen after the invigoration and excitement of Music and Machines, their optimism must have been confounded speedily. Markus Stockhausen appeared as one of the four soloists in his father's *Hymnen* last week at the Barbican, playing synthesiser and trumpet. At St John's he appeared as a solo trumpeter, performing with the percussionist Robyn Schulkowsky pieces by Walter Zimmermann, William Kraft and Stockhausen *père*.

It was a trivial, eminently *forgettable evening. The two* Stockhausen works bracketed the programme. The set of 12 miniatures which makes up *Tierkreis* has appeared in a variety of instrumentations; the latest, for trumpet and percussion, does nothing to suggest that it is anything more substantial than a sequence of carefully proportioned, yet entirely decorative tunes. *Oberlippen* was possibly more dispiriting, as one of the first *samples we have heard* in London of the most recently completed portion of the opera cycle *Licht*, *Samstag*. It is a solo for piccolo trumpet, which in the opera is part of a scene played on a set that takes the form of a face; this particular section is delivered from the upper lip, hence the title. The music, is even less encouraging: a sequence of calls and effects, scraps of melody, strung together upon an impoverished scheme of dramatic gestures.

Kraft's *Encounters III*, for trumpet and percussion, has the kind of title which makes the heart sink before a note has been heard, and nothing in it—a partially improvised duel for the two players—contradicted that initial feeling. Zimmermann's *Glockenspiel* for solo percussion was charming in its slight, wispy way: another of the composer's back-to-nature meditations with some nicely imagined small sounds, but nothing to provide the weight so sadly lacking in the concert.

Kent Opera's Spring plan

Arnold Östman, musical director of The Royal Court Theatre, Drottningholm, Sweden, makes his debut with Kent Opera conducting its new production of Rossini's *The Barber of Seville*, produced by Jonathan Hales, which opens at The Marlowe Theatre, Canterbury, on March 21. Östman returns to England after conducting Don Giovanni at Covent Garden last year.

The Barber will play in repertory with *The Marriage of Figaro*, and last autumn's new production of *King Priam*. The tour will move on to Southsea, Norwich, Plymouth and Eastbourne.

Saleroom/Antony Thorncroft

The revolver used in The Mousetrap when it opened in London 31 years ago but subsequently banned from the stage because it was a real Colt, sold for £660 at Sotheby's yesterday, ahead of its target, in a gun sale. As usual a sporting gun by Purdey fetched the *top price, £14,850 for a 12-bore* ejector.

Among the toys and games two French musical automaton dolls, of a piano player and a mandolin player, both dating from around 1880, sold for £11,880 and £11,550 respectively to the Alexander Gallery of New York. A conventional Bru doll, French 1875, beat its target at £7,480.

Phillips recorded some good prices in its Chester auctions of golfiana and piscatoriana. Golf courses of Scotland by John Smart sold for £14,000 as did The Golf Book of East Lothian, signed by the author John Kerr. A feathery golf ball was bought for £1,020. Among the fishing items a Hardy 1896 pattern all *brass salmon perfect reel made* £400.

In the afternoon sessions at Sotheby's a Mickey Mouse watch sold for £12,100. It was only made last year (to celebrate the 50th anniversary) but the *maker was Garrard and it is* gold, and diamond-studded. The estimate was around £5,000. Sotheby's also sold a mid-19th-century cane fishing rod, by Aldred, for £748. It was bought last year at a jumble sale for £1.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

January 18–24

Exhibitions

PARIS

Kandinsky: 70 paintings, many on loan from the U.S., West Germany and The Netherlands, are complemented by Nina Kandinsky's legacy of 700 drawings and sketches; by his correspondence, his library and his own collection. The vast retrospective, the most important in Paris since 1963, retraces the different stages in his creation: Munich, the Bauhaus and finally Paris. Centre Georges Pompidou, closed Tuesdays. Ends Jan 28. (277 1233).

Degas: His portrait of Diego Martelli and his astonishing Bureau des Cotons, with his Carnet 18 to be seen for the first and last time page by page, form the highlights of a vast exhibition of the master's sculptures, paintings, lithographs. Centre Culturel du Marais, 26-28 Rue des Francs-Bourgeois (272.73.52). Every day from 10am till 7pm. Ends Jan 27.

WEST GERMANY

Hamburg, Kunstverein, Glockengießerwall: Fifty-five paintings, water colours and gouaches by Edvard Münch, the Norwegian painter (1863 to 1944). Ends Feb 2.

Hannover, Forum des Landesmuseums, 8 Am Markte: Berlin Art between 1770 and 1930 has 200 bronze, gypsum, ceramic and china sculptures by artists ranging from Gottfried Schadow to Georg Kolbe. Ends Feb 17.

Bremen, Kunsthalle, 207 Am Wall: Water Colours from the 16th century includes Albrecht Dürer, Eugene Delacroix and Emil Nolde. Ends *Feb 24*

Munich, Haus der Kunst, 1 Prinzregentenstrasse: The museum is displaying two exquisite shows. Nofret – the Woman in Ancient Egypt has 96 important works from between 2,500 B.C. and 200 A.D. on loan from Cairo. *Ends* Feb 10. Shogun offers a panorama of Asian culture in the everyday life of the Japanese dynasties between 1615 and 1868. Despite the limited number of exhibits from the Tokugawa Art Museum Nagoya in Japan, the show allows an insight *into the position and importance* of the Tokugawa princes. Munich is the only German venue of the exhibition which goes on to Paris. Ends Feb 3

Ludwigshafen, Wilhelm-Hack-Museum, 23 Berliner Strasse: the show has more than 120 pictures of various materials, collages, coloured leaves and paintings by Rolf Iseli, the Swiss artist. Most date from before 1921. Ends Jan 27.

Mannheim: Städtische Kunsthalle, 9 Moltkestrasse: 50 large oil paintings by Armando, the Dutch artist and biennial participant all painted after 1953. Ends Jan 30.

ITALY

Naples: Museo di Capodimonte: 'Naples in the 17th Century': for lovers of Baroque. An exuberant exhibition of paintings, marbles, silver and furniture dating from a period when the city was the second in Europe after Paris. Ends April 14.

Rome, *Villa Medici (French academy)*: Degas and Italy. A gracious recognition by the French Academy of the importance of Italy to the work of one of the greatest artists of the 19th century (this year is the 150th anniversary of Degas's birth). The *exhibition follows Degas's principle* that preparatory drawings should be shown with the finished work. This has been done here with three remarkable paintings: the portrait of the Bellelli family (with its echoes of Piero Della Francesca). The *works cover the period 1856-60.* Ends Feb 10.

Rome, Galleria la Gradiva (Via della Fontanella 5): Modern Italian painting including Guttuso, de Chirico, Annigoni, Rosai, Balla. Ends Feb 10.

Florence: Palazzo Strozzi: Icons from Russia – painting in Russia and the Ukraine from the 15th to the 18th century, organised by the new exhibition centre in Florence and the Russian Ministry of Arts. On show are 71 icons from the Museo Rublev in Moscow, and from museums in Leningrad, Kiev and Cernigov. Newly restored and stripped of their dark protective layers of linseed oil, the colours are brilliant and the gold gleams. The exhibition is fascinating not only for the extraordinary *and disconcerting beauty of the* icons but for showing the remarkable artistic isolation of Russia, which allowed this subtle art form to survive until Peter the Great decided forcibly to Europeanise it in the 18th century. Ends March 3

Milan: Castello *sforzesco*: L'Atelier dell'Illusione – 120 opera costumes chosen from the 80,000 in La Scala's storerooms. A visual opera history of the last 60 years. All the costumes are original except the first on show: a replica of the black, satin dress with bustle in which Maria Callas sang in La Traviata at La Scala in 1955. Closes end of Feb.

NETHERLANDS

Utrecht, Central Museum. Rare silver of the Golden Age. The Van Vianen family of Utrecht provided the country's leading silversmiths for much of the 17th century. The 60 objects from London, Vienna, Leningrad, Berlin, Paris and Amsterdam inevitably *focus on* the work of Adam and Paulus Van Vianen, whose introduction of the auricular style and emphasis on the sculptural qualities of silver brought about a break with the past. Ornate, yet graceful cups and ewers contrast with superbly chased tazzas and plaques *depicting* mythological and biblical scenes in low relief. The dazzling display is complemented by 17th-century paintings and drawings in which the Van Vianens' creations featured as sumptuous accessories. Ends Feb 10 (closed Mon).

Amsterdam, Van Gogh Museum. A large selection from the holdings of the city's Stedelijk Museum provides a comprehensive survey of the "Dutch *identity*" in art since 1945: from Cobra and the Informal Group, via Zero and conceptual art, to the New Realists and the exuberant expressionism of the emerging generation. Ends April 15. (The permanent Van Gogh exhibition has moved to the top two floors for the duration).

S. Jessurun de Mesquita: Prints, drawings and decorative designs trace the career of this exponent of Art Nouveau who managed to combine simplicity and crispness of line in his woodcuts of people and animals *with the bizarre extravagance of the* "sensitivistic" drawings – fevered caricatures with a surrealist tinge. Amsterdam, Jewish Historical Museum. Ends March 10 (closed Mon). A smaller exhibition of the sensitivistic drawings runs concurrently *in Rotterdam, Boymans-van Beu*ningen Museum.

Amsterdam. The Rijksmuseum opens its centenary year with a close look at the Last Supper. Twenty sketches and studies, 12 by Leonardo, accompany an immense photographic reproduction of the ailing mural, while detailed photographs chronicle the restorers' latest efforts to reverse the erosion. Ends March 3. (Closed Mon).

Amsterdam Historical Museum. A *show of 19th-century topical prints* which met a popular demand for political comment. Illustrations commemorating important events in Dutch history, and souvenirs of royal occasions. Ends March 3 (Printroom closed Sun, Mon).

CHICAGO

Museum of Contemporary Art: Celebrating the foresight of local collectors, Dada and Surrealism in Chicago Collections includes more than 300 works by Dali, Ernst, Magritte, Miro, de Chirico, in mixed media including sculpture and photographs as well as paintings and drawings. Ends Jan 27.

TOKYO

Ceramics of East and West (Idemitsu Art Gallery): This exhibition highlights 17th and 18th century fine ceramics in Japan and Europe, including Japanese Arita ware, Delft from The Netherlands and Meissen from Germany. Particularly interesting is the influence of these various wares on each other, the result of trading of the period. Shards of Chinese and Japanese pottery excavated outside Cairo are also on display. This museum, on the 9th floor of the *Kokusai Building in Hibiya*, near Imperial and Palace Hotels, commands an excellent view over the moat and Emperor's Palace in the centre of Tokyo. A relaxed atmosphere enhanced by the serving of Japanese tea. Ends Feb 3.

***Woodblock Prints (Ukiiy-e) of 17th century actor* Ichikawa Danjuro.** One of several exhibitions to mark the occasion of Ichikawa Danjuro XII's succession to the most famous name in Kabuki in the spring. The traditional close ties between Kabu*ki and art exist even today. Riccar* Art Museum, Ginza. Ends Feb 24.

Japanese New Year Arts (Yamatane Art Gallery): This gallery with its interior rock garden and tea ceremony room is perfect for an exhibition which demonstrates the importance of New Year, Japan's most popular religious festival. Ends Jan 27.

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The future for coal

IT IS NOW likely, if not yet certain, that the miners' strike is in its final phase. *At some* point soon the Government and the coal board must decide both the right moment to re-open negotiations and an agenda for those talks.

In one respect, the Government has little room for manoeuvre. The deal the board struck with the pit deputies union, Nacods, last October on independent review machinery for pit closures has ensured that decisions about closing un-*economic* coal mines in the future will not be a matter for management only.

The agreement with Nacods will have to be honoured. But it is important that the board uses what scope for manoeuvre that formula affords to the maximum advantage.

For just as important as the Government's political objectives in not yielding to the NUM are its economic objectives—its desire that the coal board be run as a commercial business, albeit one in which the pace of change should be strongly influenced by social considerations.

The most obvious economic issue still at stake is the need to reduce the coal board's losses from their effective pre-strike level of over £1bn a year.

Clearly the question of uneconomic coal mines is at the heart of this task, and it will be vital for the board to insist upon terms of reference for the review body which involve more than a mechanistic splitting down the middle of management and union claim and counterclaim.

But an equally important issue concerns the relationship between the Coal Board and the Central Electricity Generating Board, which has traditionally bought around three-quarters of the Coal Board's output.

The relationship between the CEGB and the NCB is one of chronic government interference which since the mid-1970s has ensured that the CEGB imports very little coal—around 1m tons in the year before the strike.

This has, in effect, made the CEGB a captive customer for *the Coal Board, buying 75m* tons of UK coal in a normal year.

The weaknesses of this arrangement are obvious. On the one hand, price negotiations between the CEGB and the NCB are close to meaningless, since the Government knows that if the CEGB is allowed to drive the UK coal price down, it will result in bigger losses for the NCB, which the Government *will have to fund.* A circular position is completed by the fact that the Government, in search of a smaller public sector borrowing requirement, then requires the electricity industry to raise prices to consumers in order to generate ever larger surpluses, which the Treasury then creams off in the form of negative external financing limits. The only thing clear about this procedure is that, at the end of the day, consumers and taxpayers pay for it.

Unless there is a market benchmark against which the UK price of coal can be set, the coal indusry is destined to operate in a world of economic make believe.

To address the problem, the Government would have to tell the CEGB to buy its coal from the most attractive source. This would not mean, as is sometimes thought, the closure of the UK coal industry in the face of an avalanche of cheap Australian, American and South African coal.

Understanding

UK coal is competitive against most imports at inland power stations because of land transport costs and, with a strong dollar, it is probably not at present uncompetitive against U.S. coal.

Given freedom to import, the CEGB could possibly step up its purchases to 10m tons or more—a dent in the Coal Board's market, certainly, but not a disastrous one.

Without a policy of this kind, it is difficult to see how the coal board can proceed towards a commercial style of manage-*ment. Any government* understanding which in effect guarantees a given level of CEGB coal purchases from the coal board becomes in some measure a commitment, as in the Plan for Coal, to a fixed level of output and so, if you are not careful, to a certain number of jobs and a given level of subsidy. Unless the coal board is obliged to price its coal according to market principles, any other element of a peace formula for the industry based upon economic pits will be built upon sand.

The most important message of the strike is that the NUM does not, as was once supposed, have unlimited power to impose its own terms on the *country. The Government will* never have a better opportunity of setting the coal industry on the road to a viable future.

Polish justice on trial

SEARCH THE annals of court proceedings in the Soviet bloc since the Second World War, and you will find nothing comparable to the trial drawing to a close in Poland of the alleged murderers of Father Jerzy Popieluszko, the Solidarity priest. For nearly a month four Polish secret policemen have been at least partially taking the lid off their murky world in testimony given in open court with much of the international press in attendance.

How ironic that four policemen should be in the dock, when for most of last year it looked as though Poland's trial of the decade would instead feature the four leaders of the KOR dissident movement on charges of subversion. With three of the four police defendants pleading guilty to kidnap, though not to intentional murder, it seems clear where the real subverters of Polish law were.

Whatever the verdict, it is hard to see how in the near term the security apparatus can operate with quite the abandon it has in the past. Too much has come out in the trial proceedings about the methods of the SB secret police not to have some sort of dampening effect on their activities.

Reports of the court testimony, carried extensively in the press and for half an hour every night on radio, may intimidate or encourage Poland's Solidarity sympathisers, disidents or outspoken priests; at this stage it is hard to tell which. But anyone who complains in Poland in the future about police brutality will at least find his allegations getting more public credence.

There may remain, even after the verdicts, the nagging question of whether the Torun trial is not after all a more sophisticated "show trial," with the four put in the dock as scapegoats, like the Cubans in Watergate, to protect superiors. It remains, for instance, unclear to observers why the panel of three judges has, so far, chosen not to explore further ex-Captain Piotrowski's mention of a bomb plot against Father Popieluszko a year before his death, or ex-Colonel Pietruszka's admission that he had access to the murder investigation files up to the day of his arrest.

Such trails, however, lead nowhere, according to the government which for the first time gave its assessment this week of the trial, via the indirect but authoritative medium of the party newspaper, Trybuna Ludu. The evidence had shown there was no wider plot, beyond the four defendants, the paper said.

This comment helps ot delineate the nature of the political gamble which General Jarulzelski feels he has taken in allowing an open investigation to go ahead. On the one hand, he needed to satisfy public opinion and the Church that there would be full disclosure: a closed hearing would obviously fuel, rather than allay, the speculation that the chain of responsibility went right to the top. So, an open trial had to be held, even if it meant causing a minor earthquake in a security apparatus believing itself to be under ultimate political protection.

Activists

But the earthquake can only remain minor if the finger of suspicion joints no nearer the top brass in the Interior Ministry. To go on ruling his unruly country, General Jaruzelski probably needs support from the security police, in addition to the uniformed police branch and the army. The frustrations of the security police spilled into open court, when one of the defendants complained that his superiors refused to let him take action against Solidarity activists in the ranks of the clergy.

General Jaruzelski's tightrope act is also being watched abroad. The estern media has given the Torun trial wide coverage. But Poland's allies have reacted with stunned silence. Only Hungarians know from their press that the trial is even on, despite the presence of East bloc reporters in court. They will clearly hold it against General Jaruzelski if any of the dirt from Torun, discrediting communist-run police forces, smears them.

GM LEARNS FROM JAPAN

The empire strikes back

By Terry Dodsworth, recently in California, and Paul Taylor in New York

ALFRED P. SLOAN, the man who led General Motors to unchallenged supremacy in the motor industary, used to tell his subordi-*nates that it was more important* to be efficient duplicators than to be first with a new idea.

Like many of Sloan's concepts, this policy of cautious innovation is now being brushed aside by the new managerial broom sweeping through the company — and nowhere more conclusively than in the Saturn small-car project.

When Roger Smith, GM's current chairman, stood up in Detroit two weeks ago to announce the go-ahead for Saturn, he called it "an historic occasion." For once, the touch of Detroit hype may be justified: if Saturn does not succeed, it is doubtful whether any U.S. car manufacturer will try again to take on the Japanese in the sector where they excel.

"The question is whether there is a way for U.S. companies to respond to the challenge from Japan in a non-political manner," says Mr *Roger Vincent, a senior* vice-president in charge of the auto division at Bankers Trust.

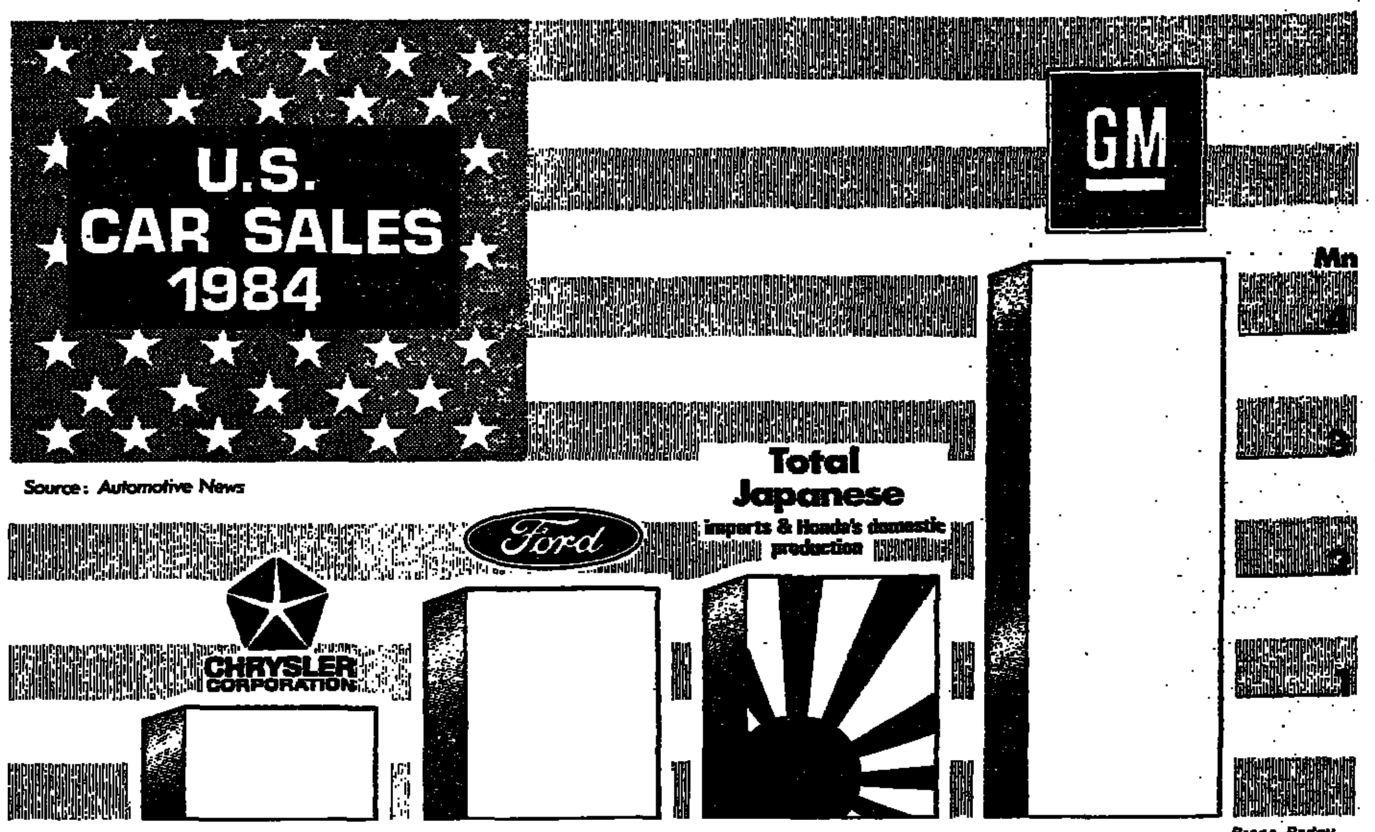
Until now, GM and the other U.S. car makers have tried to halt the onslaught of the Japanese either by clamouring *for tariffs and import quotas or* by forging links themselves with low-cost manufacturers in the Far East. Saturn represents the U.S. industry's first full-blooded counter-attack—a self-standing manufacturing project which aim to eliminate Japanese cost advantages by redesigning the production process from scratch.

At the same time, Saturn has a significance extending well beyond the motor industry. Many other U.S. companies facing similar competitive pressures from overseas will be watching keenly to see how the GM experiment fares. Indeed, some academics see the project as a possible model for mature companies trying to break away from their top-heavy bureaucratic structures and respond to competition from the Far East with more entrepreneurial methods.

"This is an attempt to start anew," says Professor Quinn Mills, of Harvard Business School. "In the U.S. we have a long tradition of going West and starting again when something goes wrong. I think you will see a lot of other companies moving in a similar direction to GM—in fact I know you will."

Saturn is not something that Smith has conjured up out of a magician's hat overnight. The group has been toying with the idea for nearly three years, as a means of tackling its long-standing failure to produce small cars at anything like the same cost and quality as the Japanese product.

Japanese imports already hold about a fifth of the total U.S. car market, and most analysts believe they could easily grab up to 40 per cent if the present "voluntary" quota system were abandoned. It costs U.S. companies between $1,500 and $2,000 more to produce a small car than their Japanese counterparts.



Brane Radov..

If Saturn's management is to close the competitive gap it will have to make gains in three main areas—by trimming corporate bureaucracy jumping ahead towards much more advanced manufacturing technology and introducing more flexible working systems on the shop floor. In addressing these tasks Saturn's management will be given enormous flexibility.

To take the management issue first. The fact that GM has chosen to establish an independent subsidiary — and its first new marque for over half a decade — highlights its anxieties over its celebrated paper-dominated bureaucracy.

The group's system of corporate control, developed by Alfred Sloan 50 years ago, used to be lauded as a masterpiece of corporate organisation, a perfect way, as one academic said last week, of managing "highly competent mediocrity." But it was best suited to producing cars in a stable environment, not to facing up to fast-moving more innovative competitors from overseas.

"In the chain of command at a Japanese car company, there are only five to seven intermediate layers between the production line worker and the president," says Mr Vincent. "In a typical U.S. company you probably have around 17, but at Saturn they intend to cut all that away."

One of the immediate tasks facing Mr Joseph Sanchez, the 54-year-old Manhattan-born executive GM has picked to head Saturn, will be to produce a streamlined organisational structure for the new company. Smith graphically illustrated his aims at the Saturn launch by saying that he wanted the company to be able to put its organisational ideas on a piece of paper 8½ by 11 inches and "throw the rest away."

Mr James Womack, one of the Massachusetts Institute of Technology (MIT) team which recently produced a futuristic paper on the world motor industry, speaks for many doubters when he says that one of the tests of Saturn will be whether GM can resist the temptation to "smother the project in second-guessing committees."

What is certain is that GM knows a great deal more about what streamlining entails than it did 12 months ago because of its participation in the controversial joint manufacturing project with Toyota at Fremont in California.

> If GM avoids the banana skin this time around, the rewards would be difficult to over-exaggerate

The joint venture, which rolled out its first cars just before Christmas, has been variously attacked in the U.S. as a monstrous contravention of the antitrust laws or a pointless gift of a manufacturing bridgehead in the country to GM's largest Japanese competitor. But the launch of Saturn casts Fremont in a different perspective.

It lends weight to GM's claim that it would learn from the Japanese at Fremont in a way that could never be duplicated by factory visits across the Pacific.

Under the terms of the Fremont agreement, Toyota has complete managerial responsibility for the plant. It is run very much on Japanese lines, with a Japanese chairman and managing director and a number of senior Japanese executives.

"I decided," says Mr Kan Higashi, Fremont plant manager, "to do things the way I know from my experience in Japan." One result is extremely short reporting lines of the sort that Saturn will be trying to emulate. Another is a large open plan office for senior managers of the sort that is common in Japan.

On the technology front, GM has also been preparing the ground for Saturn over the last 12 months. Part of this preparation has been in the acquisition of strategic stakes in robotics and high-tech companies, but by far the most important step was the $2.55bn takeover of Electronic Data Systems (EDS), the Dallas-based data-processing company which is the biggest group of its type in the world.

The significance of the EDS deal lies on GM's ability to transfer EDS's expertise in managing data to the organisation of a heavy manufacturing plant. EDS's main claim to fame so far has been in setting up computerised systems to manage the clerical aspects of vast administrative empires in health care and government.

GM believes the same skills can be mobilised to organise a greenfield production plant in a way in which futuristic planners have been dreaming of for years—a virtually paperless factory in which, says Mr Smith, "we may not even have a mail-boy."

He adds: "EDS will link all the design and information systems to the automated manufacturing process. It will tie together the front office with the factory floor, and ultimately plug in the Saturn dealer and supplies network."

This emphasis on swifter and more effective processing has come with a recognition that Japanese vehicle manufacturers tend to use their capital equipment far more productively than their U.S. counterparts.

One U.S. analyst claims that until quite recently the average time for changing dies in U.S. stamping plants was measured in hours against three to four minutes in Japanese stamping plants. It was not so much a question of entrenched American inefficiency, he says, as a failure to spot that this was an important issue. By making swift die changes Japanese plants can produce more flexibly to order, thus carrying less stock. GM is said to have now developed techniques to cut its own die changes to around two minutes.

The U.S. company has also hinted at a radically different approach to the assembly line in the Saturn plant. Instead of the traditional, continuously moving line, a system of modular construction involving large sub-assemblies manufactured in self-contained units is being introduced. The hope is that GM will be able to reduce its own manufacturing costs by sourcing much of the initial assembly work to suppliers while also improving the quality of the product by making production workers' jobs more varied.

The third element of the Saturn revolution will be to tackle *labour organisation*, an area where critics believe the U.S. industry shows up its weaknesses most dramatically. "Our assessment at MIT," says Mr Womack, "is that the Japanese operate with only 60 per cent of the labour force employed by a U.S. company using identical machinery."

Mr Smith has been understandably cagey about what type of labour arrangements the company is aiming for at Saturn. But because Saturn is independent it opens the way for a different contract than the parent company's master agreement. GM has already successfully tested the waters for such separate agreements. Last month, for example, it concluded a pace-setting deal with electrical workers at its GM electrical division under which, in exchange for job security, new employees will be hired at only 55 per cent of the existing base rate.

"I believe that management will ask for a lot more authority in assigning tasks in the new plant," says Professor Mills, a labour expert. "The company will push for more robotics and more participation.

The framework for this approach is the group's new wages contract. This drove a wedge into the industry's monolithic labour organisation last October by moving towards more flexibility and incentive payments in return for greater job security.

But the model will once again be Fremont, where Toyota is introducing Japanese-type participative methods to turn what was once a desert in industrial relations terms into a more fertile environment.

Only a couple of years before Toyota came onto the scene GM closed Fremont with an almost audible sigh of relief that it would not have to deal with its touchy Californian workforce again. The plant had one of the worst strike records in the group. Yet today, many of the old workers and union officials are back, extolling the virtues of Toyota's participatory methods.

Despite all this preparatory work however, GM is clearly taking an enormous risk with Saturn. Given that U.S. auto industry wages can scarcely be forced down to Japanese levels in the foreseeable future, GM must cut the number of man-hours and the level of capital employed in making a car to well below those in Japan.

Industry experts also point out that the group has a history of announcing grand projects, such as an electric car or its ill-fated aluminium engine, only to fall flat on its face.

If GM avoids the banana skin this time around, on the other hand, the rewards would be difficult to over-exaggerate. Saturn, says Smith, is the "key to GM's long-term competitiveness, survival and success as a domestic producer."

He might have added that a rejuvenated GM would not only be a tonic to the U.S. auto industry, but would also give a lead to corporate America's present drive to respond more positively to the competitive threat from overseas.

Men and Matters

Whiter than white paper

Some extra whitening was used in this year's public expenditure White Paper—the original embargo times were paimted out or taped over.

Publication was originally set *for noon last Friday,* and the time was printed on all the documents. But after the confusion that ensued from recent weekend newspaper briefings, it was apparently decided that a mid-week release might be wiser. Hence the application of Snowpake and sticky tape, moving the embargo to Tuesday afternoon.

Mrs Thatcher has long shared by fascination for deciphering what has been concealed in this way. One warm day last summer, she was so engrossed in this pastime with some department paper that an alarmed aide bravely plucked a large and intrusive bumble bee from her hair while, oblivious to the fuss, she continued to reveal *what had been hidden in* the documents.

But I trust she was not too engrossed this time to notice the change in price of the White Paper. The two volumes this *year cost £19.10 compared* with £17.15, a rise of 11 per cent or more than double the Treasury's forecast rate of inflation for the year.

"So this includes the falling pound surcharge—but not one for any Laker settlement?"

Second-hand coup

A sign that the Spanish military's abortive coup of February 1981 has been relegated to history is that some momentoes of that traumatic event are up for auction.

The three buses that transported guardia civil units to the Madrid parliament under the orders of Col. Antonio Terejo, are to be sold. He bought the buses secondhand and claimed at his court martial that all the money came from his own savings.

Since the coup the buses have been confiscated by a Madrid court to help cover the damage caused to the parliament building.

The ceiling was shot up and at one stage in the brief coup, while Tejero was making himself famous on world television wearing his quaint hat, a fire was made of some of the furniture.

Terejo got life imprisonment but supporters drummed up 25,000 votes in a surrogate party formed for his benefit in the 1982 elections.

The bottom line is that even coups can make profits. The buses are likely to fetch around *$2,000 each from Tejero sup*porters.

Food for thought

An industrial scientist tells me that he has learned one valuable lesson from 18 months on secondment to Whitehall, helping the Government subsidise industry more wisely. It is that the capability of a British company is in inverse ratio to the lavishness of the hospitality it *is willing to offer.*

Nodding terms

Government ministers will certainly have to watch their p's and q's when television cameras eventually move into the Commons.

But as Alan Clark, junior employment miinster, found to some embarrassment yesterday, it does not pay in the meantime to forget that Hansard has sharp eyes and ears

Clark—never exactly a Common Market enthusiast—was sitting on the Government front bench during the debate on providing another £119m for the EEC.

Leading Tory anti-marketeer Teddy Taylor's arguments against such a move proved too much for Clark's sense of a minister's collective responsibility. "I am delighted," Taylor commented (according to Hansard) "to see Mr Clark nodding."

Taylor later ensured that his vote followed his voice by going into the lobby against the Government. Clark curbed his feelings and dutifully joined other ministers in voting for the EEC payment.

Flower power

English teacher Kathy Flower became an overnight television star in China when she pre-*sented Follow Me—an English*-by-television series for the People's Republic produced by the BBC's External Services.

The programme, shown at peak-time, led to hundreds of proposals of marriage. Now *Kathy* is about to become an even bigger media star in China.

The BBC External Services has just landed a contract for a follow-up series designed for Chinese-speaking students of science, technology and medicine. The co-production with China Central Television *has been made possible with the* help of a £600,000 grant from a Hong Kong-based educational foundation. The chairman of the Croucher Foundation, set up by former British businessman Noel Croucher, is the British Nobel prize-winning scientist Lord Todd.

Twenty 25-minute programmes are going to be made in both mandarin and Cantonese with filming in Hong Kong and China.

Interestingly enough the Chinese, unlike the Japanese, want to speak English like the English rather than the American sub-dialect.

"Many countries have been trying to emulate our cultural diplomacy in China. But they have not been able to displace the BBC and its reputation in Chinese eyes," says Barbara Goldsmid, head of the BBC department involved.

Fitting the bill

Company secretaries up and down the country were apparently less than impressed by the stamina and all-round physical prowess of Pilkington's David Bricknell who, I reported yesterday, is going to climb nearly two-thirds of the way up Everest this spring.

Typical of the reaction was that of Peter Ellacott, of Royal Insurance, who says there must be hundreds like him who could list real feats of endurance that would put mere marathon runners to shame.

Just this week, for example, Ellacott says he watched the U.S. Super-Bowl football game until well after midnight before falling asleep; finished a rubber of bridge inside three hours; and took the lift to the fourth floor without getting dizzy.

The achievement which he records with most pride, however, is that he has completed 25 years as a *British Rail* commuter

Observer

ECONOMIC VIEWPOINT

How to free more from tax

By Samuel Brittan

BRITISH residents start paying tax at levels of income which are extremely low both by comparison with other countries and by Britain's own historical standards.

Originally income tax was not supposed to be levied on the worker on average earnings. Even by 1949 a single person did not start to pay tax until he earned 39 per cent of average male manual earnings. By 1981-82, the threshold at which he began to pay was down to 18 per cent of average earnings for all occupations. A married couple had, in 1949-50, a tax threshold of 63 per cent of average earnings, which had fallen by 1981-82 to 28 per cent.

It is, therefore, hardly surprising that the Government should have given priority to raising tax thresholds. But this is a very expensive process—and by the 1984 Budget they still stood at only 21 per cent for a single person and 33 per cent for a married man. Ministers have given several indications that they want to press on in the same direction as far as the fiscal position allows.

Despite its obvious attractions, many economists regard raising the tax threshold as a very bad and expensive method of attacking the poverty and unemployment traps. These traps refer to the interaction of the tax and the social-security system, under which some people are little, if any better off if they take a better paid job or move from the dole into work.

This article does not attempt to resolve this particular argument. Irrespective of the poverty and unemployment traps there would be widespread agreement with the proposition that too many people on low incomes pay tax and that the tax threshold should, if possible, be raised as a proportion of average incomes.

The normal method of raising tax thresholds is to increase the personal tax allowance—ie the amount of income not subject to income tax. But even from the point of view of "taking people out of tax" it is highly cost ineffective. There are some practical and non-revolutionary improvements, which really would make the process more effective.

The problem with just raising allowances is that the greater part of the benefit spills over to those who are well above any conceivable tax threshold. If the present tax allowance is raised with the object of tkaing the poor out of tax, the benefit spills over to the skilled worker earning, say, £12,000 per annum and the top executive earning £100,000—and the latter will gain more even if there is no change in the higher rate thresholds.

Yet there is a simple method of improving the distributional effect by making use of a system already in use with another tax allowance, namely the Age Allowance. The system is known as "clawback."

The age allowance for a single person is now £2,490. Up to earnings of £8,100, the age allowance works like any other. But from then it is reduced by two thirds of each extra pound of income until it reaches £8,825 which is the ordinary allowance for people below 65.

In between £8,100 and £8,825 the single pensioner pays a marginal rate of 50 per cent in the pound on each additional pound of income. Some 30 per cent is the basic rate of tax and some 20 per cent is the effect of tapering off the age allowance, which thereby is prevented from benefiting the relatively better-off pensioners.

What would be the effect of applying the clawback principle to the ordinary personal allowances? Andrew Dilnot of the Institute for Fiscal Studies has kindly provided some estimates, although neither he nor the Institute is committed to the idea as a policy proposal nor to any inferences I have drawn. The estimates are based on 1984, but should not be too far out for 1985-86, which is when Budget changes would normally come into effect.

Consider a 30 per cent increase in personal allowances, which would take the single person's allowance to £2,607 and the married allowance to £4,050. If enacted in 1984-85, it would all have been "real" (past inflation having been provided for in the last Budget) and have taken 1.5m people out of tax. But the cost would be around £4.3bn. This is far above any estimate of what the Chancellor might have available, unless there is an unexpectedly draconian increase in indirect tax or tightening up elsewhere in the system.

PERSONAL AND AGE ALLOWANCES

Single person £pa

Income	Under 65	Over 65
Up to 8,100	2,005	2,490
8,100 to 8,825	2,005	Reduced by two thirds of each extra £1 of income
Above 8,825	2,005	2,005

HOW MARGINAL TAX RATES VARY

Couple with two children, single earner

%

Weekly income above	Now	Assuming 30 per cent rise in allowance plus clawback	Assuming £2,600 transferable allowance, no clawback
£50	9 (76)	9 (76)	9 (76)
£65	39 (106)	9 (76)	9 (76)
£80	39 (106)	39 (106)	9 (76)
£100	39 (77)	39 (77)	39 (77)
£140	39	39	39
£160	39	59	39
£185	39	39	39
£250	30	30	30
£370	40	40	30
£400	40	40	40

Note: Main figures apply to income tax and employee's NI contributions. Figures in brackets incorporate effect of loss of social security entitlements as incomes rise.

Source: IFS

Now assume that, as for pensions, clawback starts to apply at an income of £8,100 per annum, which is not far from the average wage and is also the level at which eligibility for housing benefit expires. If clawback is applied, the increased personal allowance will be reduced by two-thirds of each extra pound until roughly £9,000 is reached for a single person and £9,500 for a married person.

The increase in the personal allowance will not affect 30 per cent of families, because their income is too low. The remaining 70 per cent can be split into a group of about 40 per cent who gain something from the higher personal allowance, and 30 per cent whose incomes are above the level at which the increased personal allowance is exhausted by clawback.

Thus, we arrive at an approximate ratio of four-sevenths, which represents the cost of tax thresholds combined with clawback, compared with the straightforward conventional increases. Applying it to the hypothetical 30 per cent increase in personal allowances, the cost comes down from £4.3bn to about £2.5bn. This is still very much at the top end of the Chancellor's margin, but it is at least within the realm of possibility, especially if he makes some moderate revenue-raising changes elsewhere.

As there is no more a free fiscal bonus than a free meal, one must ask: what are the costs of using clawback? Obviously those on above-average incomes will fail to gain, which is the intention. But another cost, shown in the second column of the table, is that there will be a temporary rise in marginal tax rates (including National Insurance) to 59 per cent in the earnings range of £160 to £185 per week.

This is not in my view a fatal argument. Some 8 per cent of families would actually be paying this rate on increments to income, but the band is sufficiently narrow to give the sort of person who has the opportunity of varying his hours or his effort a reasonable prospect of rising out of this band.

Even with clawback, too many people will still be liable to tax, and the impact on the poverty trap slight. There would still be families paying tax but poor enough to be eligible for Family Income Supplement. One of the problems is that most of the families paying tax, but eligible for benefit, have one breadwinner and several children, while increases in allowances benefit every kind of taxpayer.

There is a way of concentrating the concession where it is most needed. This would be to reform the allowance system, under which single earner families do relatively badly. At the moment, a married couple with one breadwinner receives only the married allowance of £3,155. But if the wife works they also receive an ordinary personal allowance of £2,005, making £5,160 in all. Why not give every adult an average of these two sums, which would amount to say £2,600, but make it freely transferable from one spouse to another?

Thus, in a family with a single breadwinner, the allowance would be effectively £5,200 and it is here that the tax concession would be concentrated. The two-earner family or single person would gain little, but would not lose. The cost of such transferable allowances would be some £3bn, and 2m-2½m working people would be taken out of tax. Nearly half of these would be heads of single breadwinner families and about 30 per cent would be single parents (who would receive a double allowance). Many recipients of Family Income Supplement would no longer pay tax and there would be some discernible effect on the poverty trap.

The cost here—apart from the deliberately distributional twist—is that there could be a disincentive to working wives. For it would be sensible family tax planning for about 2m working wives to transfer their allowance to their husband, which would mean that they would start paying tax on the first pound of their incomes. The disincentive is not overwhelming; and there may be a short-run case for concentrating job increases on the main breadwinner rather than on women working part-time as has been the case recently.

Arithmetically, a personal allowance, which can be transferred from the non-working spouse to the working one is equivalent to a "home responsibility allowance," which some women's organisations may favour, but others detest on "feminist grounds"; and this is not an argument into which I wish to put my head at any price.

My purpose is simply to mention the transferable allowances as an alternative (or addition) to clawback, and to note that there are then at least two methods or raising tax thresholds which are more cost-effective than simply increasing allowances. As the Chancellor will, in any case, be opposed by those who regard raising tax thresholds are a false priority, he might as well incur their wrath for a major rather than a minor gain.

Any practical recommendation must allow for the fact that the Chancellor will not be able to judge how much, if at all, he has available for net tax relief, until a few days before the March 19 Budget. But he can decide much earlier about tax switches, that is extending VAT or taxing the special interest groups more effectively, to raise money for other purposes.

In my view, the proceeds of revenue enhancement should be earmarked for measures of a job-promoting kind, by which I mean not infrastructure spending, but adjustments to employers' National Insurance contributions, comunity programmes and so on. The Chancellor should then devote any net tax relief which the economic and budgetary position makes possible to increasing thresholds by one or other of the ways discussed in this article. So long as the ground has been prepared, the decisions on amounts can be made at the very last moment.

Jobs, pay, unions and the ownership of capital

A booklet containing reprints of Samuel Brittan's recent articles on these subjects is now available from Nicola Banham, Publicity Department, Financial Times, London EC4, price £1.50, including postage.

Lombard

Where leisure is not enough

By David Lascelles

HARD as it may be to summon up much sympathy for an oil-rich state these days, the predicament of one of the wealthiest of them, Kuwait, contains if not a moral then at least food for thought.

Kuwait's problem, quite simply, is that it needs something to do.

After a bustling couple of decades in which it has criss-crossed its tiny territory with six-lane highways, installed modern telephone, water and power systems, and built all the schools, hospitals and public buildings it could ever need, the development phase is over. But what happens next?

Apart from oil, which virtually runs itself and employs very few people, there is precious little local industry that does not in some way owe its existence to the creation of the infrastructure. An active banking sector could form the nucleus of a financial centre for the Gulf, and some people see a future in that. But there is nothing which could remotely be described as the basis of a flourishing non-oil economy in which the local inhabitants could participate and profit. And this is a problem which has begun to exercise the government as it tries to prepare a new five-year plan.

Rentier state

The beguiling answer is that, perhaps, Kuwait does not need to do anything at all. With the yield on the $75bn it has already saved from oil revenues as a reserve for the future, plus annual oil income of over $10bn, the Kuwaiti government could probably distribute $10,000 a year to every man, woman and child which would relieve most families of the need ever to work again (even supposing they are not already rich enough to live a life of total ease).

The notion of a "rentier state" whose citizens would, like 18th-century aristocrats, live off the fat of the land has not been completely dismissed. Some people have pointed out that the Kuwaitis are particularly well suited to it: with their Bedouin heritage they enjoy few things more than taking a tent out into the desert and camping there for weeks on end, chatting and drinking tea.

For those with more modern tastes, the government has built Entertainment City, a kind of Disneyland north of Kuwait town; the highways themselves provide a pastime for people with a taste for fast cars. And some Kuwaitis already spend a good part of the year roaming the world in jet aircraft, staying in their villas in Europe and the U.S.

Spiritual rebirth

But while Kuwait could probably afford the path of luxury, an indolent existence holds little appeal and probably contains great dangers. Boredom is already endemic and may account for two of the most striking things to have happened there in recent years: the rebirth of interest in things spiritual (as epitomised by resurgent Islamic fundamentalism), and the Soukh al Manakh stock market, which was seen by most Kuwaitis as a form of entertainment until it crashed leaving losses of billions of dollars.

One of the leading banks has two retired Kuwaiti businessmen on its board: both are under 35 years old.

The rentier state would also aggravate the potentially troublesome distinction between Kuwaitis and immigrants who do most of the donkeywork—and outnumber them. In fact it would probably be a recipe for social disaster.

It is a painful dilemma the government faces, particularly since conventional answers like starting up new industries would be pointless so long as Kuwaitis feel no spur to work. Assuming that the best answer (total self-denial of oil revenues to force the country to earn its livelihood) is not on, Kuwait may well be on its way to become the first state whose economy is just one great big leisure industry.

Letters to the Editor

Subsidising the motorist

From the Executive Secretary, Federation of Petroleum Suppliers

Sir,—More alert readers will already be aware that twice in little more than a week the major oil companies have extracted their pound of flesh from the long-suffering oil user by imposing a cumulative increase of 10p per gallon on industrial heating oils and commercial Derv.

Ignoring the duty element which represents the Government's generous offtake, these increases represent approximately 13 per cent. What is even more interesting, when one studies the ex-duty price of petroleum product, is that at present industry and commerce appear to be subsidising the sacred motorist to the tune of 15p per gallon.

That is no doubt as it ought to be in a car-owning democracy. Of course, as Dr Pierre Jungels of Petrofina frequently argues, judicious price discrimination of this kind would be more difficult if there were fewer hidden subsidies. And who—apart perhaps from the motor organisations — is to ensure that the motorist himself does not become an unwitting milch cow one day?

E. J. Rowson.
Suite 24, First Floor,
500 Manchester Road East,
Worsley, Manchester.

Market views of sterling

From Mr P. Wing

Sir,—I refer to the article by Samuel Brittan (January 15) entitled "Behind the fall in sterling." To one who has been in the exchange market approaching 20 years, Mr Brittan has hit not one but several nails on their heads. Politicians and financial pundits in the UK tend to forget, if they ever knew, that there have nearly always been two market views of sterling, one domestic and one overseas. Since the second world war the overseas view has nearly always been bearish. How right that view was. The debacle of the 1967 devaluation was perhaps an outstanding example of how not to manage a currency but there have been many smaller instances that have helped to buttress the, by now, endemic overseas view.

It is probably true that sterling tended to suffer the difficulties inherent in a reserve currency role long after that role had changed but the naive statements and hesitant action taken by governments over the years have only served to make matters worse. I remember in early 1976 being asked to comment on why sterling had collapsed through the US$2.0 level. My answer as a trader was simple. How could you recommend your customers to buy when the rest of the world was selling? I may add only the International Monetary Fund package saved us that year.

I would concur with Mr Brittan on the apparent nonsense of giving publicity to the dollar/sterling exchange rate daily on TV and radio news. How many times have we heard that "the pound plunged today on the currency markets," when in fact the real movement has been a stronger US$.

Peter Wing.
24 Malcolm Road,
Singapore 1130.

The UK's policy on oil

From Mr O. Ahsan.

Sir,—I was amused to read in Mr Salmond's letter (January 22) that now it is the "threat" of lower oil prices that would seriously disrupt the international financial system. Does he really think the stabilisation of world commodity prices is desirable or even possible? Or that firm or weak prices are anything but a post-facto rationalisation? The wheel has finally turned full circle when we are worried about the Organisation of Petroleum Exporting Countries being unlikely to forget the "perfidy" of the UK being responsible for lower oil prices. He seems to have forgotten the perfidy of Opec just over a decade ago.

If the lower prices of oil makes marginal fields uneconomical, so be it. The oil will still be in the ground, should the initiative move back to Opec. It is tempting for an oil producer to support an artificially high price of oil, but we must not be blind to the greater benefits that would flow to the rest of the world as a result of cheaper energy prices, particularly to the poor countries who import their oil.

Osman Ahsan,
7, Temple Fortune Court,
Temple Fortune Lane, N.W.11.

Extending the VAT net

From the Press Secretary and Head of Information Division, HM Treasury

Sir,— Your leader on "Extending the VAT net" (January 21) was interesting and thoughtful. But I should make a factual comment on your last point. To impose VAT, as you suggest, on financial services which are at present exempt would be contrary to EC law.

Robert Culpin.
Parliament Street, SW1.

Imports for repair

From the Director General, British Jewellery & Giftware Federation.

Sir,—The outspoken comments by Mr Douglas Allen, shipping manager of Rolls-Royce Derby plant (January 10), were most welcome.

The delays Rolls-Royce has suffered, and the consequent cost, most certainly are not.

The consequences of the proposed regulations in respect of repairs were brought to the attention of HM Customs and Excise well before their introduction, since we considered that there would be a substantial loss of business to our members who imported items for repair, and then re-exported them; there is also a loss to the balance of payments, and all the other consequential losses which occur when business activity is reduced.

Where small businesses are concerned, proving significant values is difficult. Nevertheless, the reduced business is real.

A realistic view needs to be taken by the Treasury, and the sooner the better.

M. B. Alton,
St Dunstan's House,
Carey Lane, E.C.2.

Cellular services

From the Chairman, Air Call

Sir,—As a result of a letter of mine which appeared on December 11 last, I have received a number of queries from people who question that it is Government policy not to create jobs in the telecommunications field.

I am as astonished as the questioners, but the facts seem clear. Maybe the Prime Minister is unaware that she is herself conducting a huge U-turn. Her civil servants in her name support a policy of non-competition and stopping new projects.

Apparently this is being planned in the cause of supporting the position of Cable and Wireless and Racal—what nonsense!

Neither of the duopolies is organised to be able to supply the needs of the small business subscriber. Apparently this is hardly the real competition that we were promised, which was going to improve the phone service for the ordinary telephone subscribers.

Our company is practically and financially supporting the new cellular services which still have to rely on imported merchandise. An Aircall scheme has been proposed which would rely on 100 per cent British merchandise—for manufacture now — which would be complementary to the two others. We applied last August and are still waiting a response!

The Prime Minister should confirm she is in favour of competition. We believe, she should instruct her Ministers and departments that she wants all cartels dismembered and is in favour of full and fair competition, new opportunities and many more jobs now.

If not the Government might have to be prepared to face a flood of litigant companies in the European Court and virulent anti-trust action in the American courts. Such an outcome would make a poor finale to the successful flotation of BT and the heroic efforts of Sir George Jefferson to treat the competition even handedly.

J. O. Stanley.
176-184, Vauxhall Bridge Road, SW1.

The banking scene

From the Vice Chairman, International Association of Islamic Banks

Sir,—The fact that some Islamic banks this year faced difficulties does not mean that the Islamic banking movement has suffered a setback as stated by you in your report of January 18. By that token the failure of the banks in the western world should have resulted in the scrapping of the banking system b ynow.

You also admit that earlier the Islamic banks had been giving higher dividends. May I for your information add that the Islamic Investment Company of the Gulf, a DMI subsidiary has distributed diviednds to the tune of $120m.

Muazzam Ali.
10 St James's Street, SW1.

Interest rates

From Mr A. Ducker

Sir. — It strikes me that Mr Davie-Thornhill (January 21) mis-states the purpose of interest rates.

Their true purpose is to channel scarce capital to where it will do most good. If inefficient activity is misguidedly encouraged by artificially low interest rates, it is hardly surprising when the result is the perpetuation of inefficient activity — quite the reverse conclusion to that drawn by Mr Davie-Thornhill.

Alan B. Ducker.
Donnybrook, College Road,
Bath, Avon.

FINANCIAL TIMES
Thursday January 24 1985

Air fares from UK to U.S. soar because of weak £

By Michael Donne, Aerospace Correspondent, in London

TRANSATLANTIC air fares from the UK are likely to rise this spring as a result of the decline in the value of sterling against the dollar. The dates of introduction of the higher rates will also vary, between March 1 and April 1.

Airlines that have already asked Britain's Civil Aviation Authority for increases include British Airways, British Caledonian and the low-fare operators Virgin Atlantic and People Express. Other big airlines, such as Pan American and Trans World Airlines, are expected to follow soon.

The rises follow a meeting of the International Air Transport Association in Montreal, at which it was agreed that the rises were necessary in the light of the growing strength of the dollar against sterling.

It is likely that European airlines which fly to the U.S. will be seeking increases in their own transatlantic fares for the same reason, although late yesterday no confirmation of such action had been announced.

The Montreal meeting was continuing yesterday, with many airlines still trying to settle details of the new rates they wished to apply, and when.

The particular weakness of sterling against the dollar, however, has led some airlines to apply immediately to the Civil Aviation Authority for fare increases mostly from March 1, but in some cases from April 1.

Some airlines would have liked the increases even earlier, but administrative problems – such as notifying travel agents, and the substantial level of forward bookings for spring and early summer travel at the old rates – tended to preclude that possibility.

The British Airways increases – first applied for late last year – range up to about 10 per cent but with an average of about 3 per cent. The economy single rate (London – New York) will remain unchanged at £233, but the Super Club single rate will rise from last summer's £496 to £512, or 3 per cent. The mid-week Advanced Purchase Excursion return will rise from £329 to £362, or 10 per cent. First class single fares will rise from £1,013 to £1,079, or 6.5 per cent.

Virgin Atlantic, the low-fare operator between Gatwick and Newark, New Jersey, is asking for a weekday single fare of £149, against last summer's £119 and the current £129. For summer weekends, Virgin is asking for a £159 single fare, against last summer's – and the current – rate of £129.

People Express, Virgin's rival which also flies between Gatwick and Newark, is asking for a single rate of £154 economy class and £409 Premium (business) class, against the current £122 economy and £338 Premium class; increases of 26 per cent and 21 per cent respectively at current rates.

People Express says that its proposed new rates correspond to new U.S. rates of $169 and $450 respectively, at an exchange rate of £1 to $1.10.

The airline says that its sterling denominated fares were last changed in August 1984 when the exchange rate, which last summer was $1.41 to £1, *fell* to $1.30 to £1.

Throughout the winter, as the pound has weakened against the dollar, People Express – in common with other airlines flying to the U.S. – has watched its yields decline and has now been forced to seek fare increases.

The reason is that most of the air*lines' expenses are incurred in dol*lars – the major items being fuel, U.S. administration costs including U.S.-based staff and aircraft purchase and leasing charges, and U.S. landing fees, navigation and parking and handling charges.

People Express said that its new dollar rates from the U.S. would be effective March 1, while the sterling fare changes would be "subject to the CAA's discretion."

Euro MPs secure legal backing in transport row

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Parliament yesterday won a crucial round in its battle to prove that the 10 member states of the European Community have contravened the Treaty of Rome by failing to agree a common transport policy.

Herr Karl-Otto Lenz, the Advocate-General of the European Court, said in Luxembourg that the Parliament's case against the Council of Ministers, begun exactly two years ago, was admissible. He suggested that the Council had failed in its duties because of its inability to more rapid progress in liberalising transport movements across EEC frontiers.

The formal opinion by the top legal officer of the Court is likely to form the basis of any final decision *by the Court, although it is not itself* legally binding.

The opinion was welcomed yesterday by members and officials of the European Parliament as an important victory in their efforts to speed up progress towards a genuine common market in the Community.

However, the *Advocate-General* stopped short of condemning the 10 for their failure to reach agreement on all the 16 separate transport measures cited by Parliament in its case. He singled out only five which should have been approved 12 years ago, all related directly to easing cross-border movement.

The action is regarded as a key test case in Community law, for it is the first time that one institution has challenged another with failing in its duties under the Rome Treaty. If it is successful in the final judgment, expected by the middle of the year, the European Parliament seems certain to use the same legal mechanism to urge progress *on other issues.*

Members of the Parliament claim their action was instrumental in forcing through the modest package of transport measures finally approved by the Council of Ministers in December, including a deal on common weights and dimensions of lorries, and liberalising the *quota restrictions on cross-border* road haulage imposed by individual states.

"This is a definite step towards achieving a common transport policy in Europe, and it paves the way for the Council to take positive decisions to that end," said Mr Bill Newton-Dunn, the British Conservative spokesman on transport. "They can no longer shirk their responsibility. They must now adopt the measure to make a common transport policy a reality."

Officials in the European Commission warned, however, that the opinion did not provide any real compulsion to speed up the Council's work.

"The Advocate-General has only condemned the Council for failing to enact measures which were supposed to be introduced in the Community's transitional period, which meant by the early 1970," a senior official said.

U.S. holds inflation at 4% in 1984

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

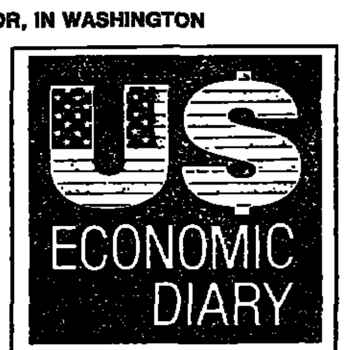
U.S. CONSUMER prices rose by only 4 per cent in 1984, the third successive year of modest increases, the Labour Department reported yesterday. The year was rounded off by a low 0.2 per cent increase in December, the same rate as in November.

With increases of only 3.9 per cent in 1982 and 3.8 per cent in 1983, the record of the last three years was the best *since* 1966–68, the White House said. "We have frozen inflation in place," said Mr Larry Speakes, the White House spokesman.

Both government and private economists yesterday predicted that inflation would continue at much the same low rate in the coming year. Government analysts were hopeful that the low increases maintained in the last quarter of 1984, equivalent to an annual rate of 3.1 per cent, would continue through the first half of 1985.

The Labour Department said that in some respects the 1984 performance was even more impressive than that of the previous two years. Last year, price moderation had become more broadly based, compared with 1982 and 1983, when low inflation had been largely due to declining energy prices.

The latest figures showed that consumer prices over the last three years had risen by only 12.8 per cent, about the same as the rate for a single year when Mr Ronald Reagan became President in January 1981.



Stewart Fleming in Washington opens his U.S. Economic Diary today with a discussion of the political prospects for a reduction in the American budget deficit. The diary will offer a monthly view of economic management and trends in the U.S. Page 4

Food prices, one of the index's major components, rose by only 3.8 per cent in 1984, while housing went up by 4.2 per cent and energy costs fell by 1.9 per cent, the department said. Yesterday's figures followed Tuesday's report that inflation measured by the broader GNP implicit deflator rose by only 3.7 per cent last year.

● The average weekly earnings of U.S. workers increased a seasonally adjusted 0.8 per cent in real terms in December, **Reuter reports.**

Nordic plan to step up co-operation

Continued from Page 1

siasm in the face of severe domestic economic problems in individual Nordic countries.

Other measures agreed yesterday involving spending of around NKr 300m over three years, include:

● Further steps to eliminate non-tariff barriers to trade in the Nordic region;

● Steps to stimulate tourism aimed particularly at the West German market;

● The creation of an NKr 120m West Nordic fund for increased regional support in areas, such as Iceland, the Faeroe Islands, and Greenland; and

● The strengthening of the Nordic Industry Fund with plans for increased co-operation in research and development, particularly within computer communications and polar research.

The infrastructure investments announced yesterday do not include the so-called Scandinavian Link, the much-discussed plans for building road and rail links across the Öresund from Sweden to Denmark (an investment in excess of SKr 6bn at 1982 prices) and for a bridge across the Stora Baelt to link the Danish island of Zealand, where Copenhagen is situated, to Jutland and the European continent.

These projects have both received strong support recently from leading European industrialists, who are seeking to stimulate economic growth in Europe.

UK miners' leaders to examine fresh proposals on pit closures

BY JOHN LLOYD, INDUSTRIAL EDITOR, IN LONDON

LEADERS of Britain's National Union of Mineworkers (NUM) will today consider a new formula aimed at ending the 47-week-old pit strike.

The formula, which emerged from informal talks on Monday between Mr Ned Smith, the National *Coal Board's industrial relations* director, and Mr Peter Heathfield, the NUM general secretary, is based on the understanding that the planned closure of 4m tonnes of capacity and five named pits – originally proposed by the NCB on March 6 – is now no longer relevant, though a final agreement may not explicitly say so.

The formula, however, would also be likely to include some reference to costs, possibly by agreeing to review the future of pits which were nearing the end of their life – a review in which the "costs of production" would be a factor.

Ministers stressed again yesterday that the NUM executive has only to agree to discuss the issue of uneconomic closures for talks to restart. Mr Peter Walker, the Energy Secretary, said that it would be "the easiest thing in the world" for Mr Arthur Scargill (the NUM president) to say he was going to discuss the definition of uneconomic pits and to discuss what was to be done to get more jobs into mining communities when pits had to close.

Mr John Selwyn Gummer, the Conservative Party chairman, said that Mr Scargill only had to agree to negotiate on the issue of unprofitable pits – but he added that Mr Scargill's formula of agreeing to "talk without preconditions" was not in itself sufficient: a more positive statement was required.

At the same time, however, the prospect for talks remains brighter than at any time since the last round of negotiations broke down in October – though senior figures in the Government and in the NCB remain reluctant to be drawn into meetings which could end the return to work.

Some 382 mineworkers returned to work for the first time yesterday, making a total for the week so far of 2,900 and for 1985 of 8,847. The NCB claims that 77,000 miners are now not on strike, 41 per cent of the 187,300 mineworkers the board employs and steadily approaching the 50 per cent mark which Mr Ian MacGregor, NCB chairman, has said represents the point at which *he would regard the strike as over.*

The TUC general council yesterday urged the Government and the NCB to follow up the informal talks of last Monday. Mr Norman Willis, the TUC general secretary, markedly refrained from overt criticism of the Government for blocking talks – a criticism made by many leading Labour Party politicians – contenting himself with saying that the TUC want to be in a position to assist – that's really where everybody should concentrate their minds."

A number of senior union leaders now believe there exists a willingness on the part of the board, and at least some ministers to see talks restart, and they suspect that the Prime Minister's hand lies on the present stalemate.

UN chief confident of more progress on Cyprus

By Nicholas Colchester in London

SR Perez Javier de Cuellar, the United Nations' Secretary General, said last night in London that he was already working on the next meeting between President Spyros Kyprianou and Mr Rauf Denktash, the Greek and Turkish Cypriot leaders, and that he was in constant touch with both men.

Each side had blamed the other for the failure of talks at UN headquarters in New York which were designed to reach agreement on the *future of Cyprus. The talks ended* on Sunday.

Sr Perez de Cuellar seemed confident, nevertheless, that further progress could be made. "I found that there was an interest in the two sides in finding a solution to the problem," he said and insisted that he would keep trying until he solved it. He hoped that the next meeting would take place before the end of February.

Sr Perez de Cuellar discussed the problem yesterday with Mrs Margaret Thatcher, the British Prime Minister, and with Sir Geoffrey Howe, the Foreign Secretary.

He stoutly defended his own role in the failed negotiations. He insisted that he had told both the Cypriot leaders that their perceptions of his draft document for the New York meeting were different: Mr Denktash regarded it as a document to be signed, whereas President Kyprianou saw it as a basis for further negotiation before signature. Nevertheless, he had decided to in*vite them to meet.*

He described himself as a broker between the two sides, rather than as a mediator preparing a proposal on a take-it-or-leave-it basis.

His advice to the two leaders now was to speak as little as possible and to avoid any decisions that might undermine the atmosphere. *He said he had ideas on how to* solve the impasse but could not for the moment talk about them.

Reuter reports from Nicosia: Earlier yesterday, the Cyprus Government said that it had protested strongly to the UN over what it described as efforts to blame the Greek-Cypriot side for the failure of the New York talks.

Record low for sterling

Continued from Page 1

should not be used to resist an established market trend.

However, he will certainly tell the committee that he returned from Washington last week with a substantial and important agreement by the major powers to use their reserves to combat specualtive demand for the dollar when this could be identified.

The British authorities are extremely anxious to avoid a futher *rise in domestic interest rates if* this can be avoided. This danger was emphasised yesterdy when the three-month London interbank rate rose by ¼ of a percentage point to 12¼ per cent. However, this rise for one day was not sufficient to trigger alarm about a general rise in interest rates.

Apple attacks business sector

Continued from Page 1

intosh will be priced at $2,785, a reduction of $700. Apple has renamed Lisa the Macintosh XL, throwing off the original name which is widely associated with the marketing failure of the product. The Macintosh XL will now sell for $3,995 with half a megabyte of memory or $4,695 with a full megabyte memory, down about 40 per cent from current prices.

In related moves, Apple announced a new personal computer networking system called Appletalk which will enable office users to connect up to 32 Macintosh computers so that they can share data and peripherals. The company also introduced a $7,000 high performance laser printer.

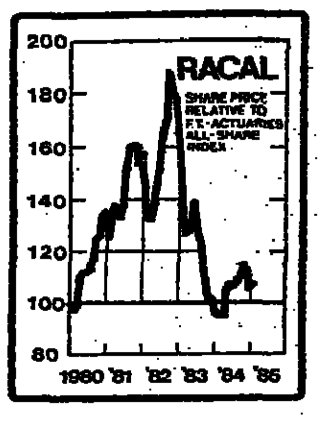
Mr Sculley predicted that Apple *will sell more than 10,000 of its of*fice networks this year. This would be a major accomplishment since fewer than 10,000 office networks have been sold to date by the 20 or more U.S. companies offering such equipment. Less than 5 per cent of personal computers are currently linked on networks.

THE LEX COLUMN

Shorter circuit from Racal

Racal's fortunes in the stock mar*ket have been so mixed over the* past couple of years that its earlier career as a shining growth stock takes some remembering. A slight fall in half-year profits, coupled with an unexpected warning of a lacklustre second half, has now rubbed away much of the remaining glitter.

It took the jobbers only a few moments' thought yesterday to slice nearly 17 per cent off the share price. Down 48p to 240p, Racal's shares stand roughly where they did in 1982, since when the market has just about doubled.



Although most people still think that Racal's record of annual profit increases should be maintained allowing Racal to keep faith with its forecast to former shareholders in Chubb – a pre-tax £47.2m for the six months to October does not represent a good start. However, the market's questioning attitude towards Racal is based on wider issues than a short-run hiatus in growth, unfamiliar as that may be.

The troubles, like much of Racal's *growth since* the late *1970s*, have cropped up in its data communications business in the U.S. Barely has Racal lived down some bad experiences in its Miami modems company – Milgo – than its West Coast subsidiary Vadic has dropped violently below budget, blowing £15m of profit that Racal had planned to make in 1985.

While it is possible to explain away part of this misfortune as the responsibility of external delays in component supply, or to the subsiding U.S. personal computer market – for which Racal can scarcely be blamed – Racal itself has misgivings about the effectiveness of managing its U.S. businesses from London, and the market feels much the same.

Granted that Milgo has been throughly sorted out, albeit with some erosion of margins, it seems beyond mere coincidence that Vadic, too, has gone astray. It is to be hoped that creation of a U.S. holding company and more on-site management will prevent a recurrence.

Fortunately there are some counterbalancing success stories in the rest of the business, including a partial return to form in tactical radio and steady growth in orders for the larger defence systems. But there are also a few question marks at home, where Racal has embarked on a heavy programme of spending on cellular radio – in which real profits are two to three years out at best – and where the acquisition of Chubb is apparently still too recent to permit any definite report on its progress.

Booker/Dee

The UK Monopolies Commission report on Dee Corporation's proposed takeover of Booker McConnell is mercifully free of extraneous arguments about management style and social purpose. The MMC of old rears its head in the note of dissent, which wells on such arcane questions as tact and patience, but the main body of the report sticks manfully to the central question of competition in the cash and carry market.

Yet, ironically enough, the dissenter still manages to win most of the arguments. The main report rather glosses over the restriction of competition in Wales and the South-East, while it is perhaps a little naive to assume that Dee would not use its whilesale operations indirectly to assist its retail business. Dee might, as the report points out, have £800m of sales at stake in wholesaling but, in terms of profits and capital employed, it is far less important than the core retail division.

It is by no means implausible that Dee could inch up its cash and carry prices to give its own stores a price advantage over the independents without attracting fresh competition or shifting the balance between direct wholesale delivery and cash and carry itself.

From the market's viewpoint this is all old hat in any case, the key question being whether Dee will return to the fight. The share prices of the two companies ahve been running broadly in tandem since the bid was referred, so Dee could just revive its old offer – at least as a sighting shot. But Dee has not been idle in the interim, and the market might well conclude that a fresh bid now would stretch the offeror's management. Moreover, the company has issued so much equity in the past six months that another dollop now could test the patience of the institutions.

Dee's existing 20 per cent stake is a fair deterrent to any possible counter-bidder, and the most sensible course for Dee might be to sit tight now and look at the situation again in the late summer. But then Dee is not a company which often does the obvious and may conclude that if it still wants Booker there is nothing to be gained from hanging about.

Intervention

Last night's sterling/dollar parity was as telling a commentary as any on Tuesday's attempt by European central banks to open up the foreign exchange markets to two-way traffic. The market, it appears, is readier to believe vague rumours about the official oil price than it is to accept that central banks are really serious about foreign exchange intervention. Commercial banks have survived official bear squeezes before and will survive them again.

The scepticism is not really too surprising. The UK Treasury, for one, has called up the reserves as a last-resort rather than because of any *positive confidence in their* ability to stem the dollar tide. And the U.S. authorities are, to judge from their actions, as reluctant as ever to disturb free markets. So market participants have come to the view that the central banks have rather more bark than bite. And even the message of the bark is hard to decipher.

The evidence that foreign exchange intervention can reverse a long-standing currency trend is very hard to accumulate. Even the dollar support package of November 1978, a much more muscular and co-ordinated affair than this week's gesture, failed to have much impact until well into the following year.

But if the purpose is more limited than that – merely to register a presence and squeeze long dollar positions – then the central banks have shown a very poor sense of timing. To enter the market just before the announcement of an upward revision in the U.S. GNP, as the central banks did on Tuesday, only plays into the hands of the dollar bulls.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	16	61	Dubrovnik	R	13	55	Malaga	R	14	57	Salzburg	C	3	37
Akrotiri	S	17	63	Faro	-	—	—	Malta	S	19	66	Seoul	-	—	—
Algiers	S	24	75	Florence	F	17	63	Manila	-	—	—	Singapore	-	—	—
Amsterdam	F	3	37	Frankfurt	C	2	36	Miami	-	—	—	Stockholm	F	1	34
Athens	F	16	61	Funchal	C	16	61	Milan	D	2	36	Strasbourg	Sn	1	34
Bahrain	-	—	—	Geneva	F	9	48	Moscow	Sn	-10	14	Sydney	-	—	—
Bangkok	-	—	—	Gibraltar	F	15	59	Munich	R	4	39	Taipei	-	—	—
Barcelona	F	15	59	Guernsey	R	4	39	Nairobi	-	—	—	Tangier	C	14	57
Beirut	-	—	—	Helsinki	Sn	-14	7	Naples	S	17	63	Tehran	-	—	—
Belgrade	S	11	52	H Kong	-	—	—	New Delhi	-	—	—	Tel Aviv	S	18	64
Berlin	S	4	39	Innsbruck	F	6	43	New York	-	—	—	Tenerife	-	—	—
Biarritz	R	7	45	Inverness	Sn	-1	30	Nice	C	13	55	Tokyo	-	—	—
Blackpool	F	2	36	Istanbul	F	10	50	Oporto	-	—	—	Toronto	-	—	—
Bordeaux	R	5	41	Jersey	F	6	43	Oslo	Sn	-5	23	Tunis	S	19	66
Brussels	F	4	39	Jo'burg	-	—	—	Paris	C	5	41	Valencia	F	15	59
Budapest	F	6	43	Las Palmas	F	15	59	Prague	Fg	1	34	Venice	Fg	5	41
B Aires	-	—	—	Lima	-	—	—	Reykjavik	F	5	23	Vienna	Fg	1	34
Cairo	-	—	—	Lisbon	F	12	54	Rio de J'o	-	16	—	Warsaw	C	4	39
Cape Town	-	—	—	Locarno	R	2	36	Rome	F		61	Zurich	F	7	45
Caracas	-	—	—	London	S	5	41								
Casablanca	F	17	63	Los Angeles	-	—	—								
Copenhagen	C	1	34	Luxembourg	C	1	34								
Corfu	S	16	61	Madrid	C	9	48								
Dublin	S	1	34	Majorca	S	16	61								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Volvo plans new plant

Continued from Page 1

per cent. The turnover of the cars operation rose by 20 per cent to SKr 30.2bn, while truck sales increased by 36 per cent to SKr 15.3bn.

Volvo said that its increased operating profits chiefly reflected improved earnings in the car and truck divisions. Income per share rose to SKr 46.40 in 1984, compared *with SKr 24.30 in 1983.*

Mr Pehr Gyllenhammar, chairman, said Volvo's earnings power showed an unchanged strength with rising demand for its cars.

Volvo's car plants are currently working at full capacity, with sales having risen from 270,000 in 1980 to 386,000 in 1984, of which the Dutch-produced 300 series accounted for 106,000 units.

The new car plant, Volvo's biggest single investment for more than a decade, will have a single shift capacity for producing 40,000 cars a year. The plant will include body assembly, a paint shop and final assembly.

It will provide employment for around 1,000 people, and will probably be located in Uddevalla, 90 kilometres north of Gothenburg, Volvo's main Swedish production centre.

Volvo said it hopes to complete its feasibility study on new plant during the spring

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday January 24 1985

Profits surge 27% for United Technologies

BY PAUL TAYLOR IN NEW YORK

UNITED Technologies, the diversified U.S. defence, aero-engine and electronics manufacturing group, yesterday reported an 8 per cent increase in fourth-quarter net earnings and a 27 per cent jump in full-year net earnings to a record $645m.

In the final quarter, United Technologies, whose Pratt & Whitney aircraft engines subsidiary, and an international consortium including Pratt, yesterday won a $269m Pan-Am order for engines to power 28 Airbus Industrie jets, said it had net earnings of $149.8m, or $1.13 a share, ($1.10 a share fully diluted) from $138.1m, or $1.06, ($1.01 fully diluted) in the 1983 quarter.

Fourth-quarter sales rose by 12 per cent to $4.38bn from $3.89bn in the year-earlier period.

The final-quarter results helped lift full-year net earning – already boosted by a $46m non-recurring tax gain in the third quarter related to accounting for domestic international sales corporations – to the new record. Full-year earnings for 1984 were equivalent to $4.90 a share ($4.70 a share fully diluted) compared with net earnings of $509.2m, or $3.97 ($3.74 fully diluted) in 1983.

Excluding the third-quarter tax credit, net income last year grew by 18 per cent to $599m on sales which increased by 11 per cent to $16.33bn from $14.67bn in 1983. At the end of the year United Technologies' business backlog totalled $11.9bn compared with $12.1bn at the end of 1983.

Mr Harry Gray, the group's chairman and chief executive, attributed the strong performance in the fourth quarter and full year to cost reduction programmes, increased productivity, and higher volume at most of the corporation's units.

Mr Gray said rapid expansion in the automotive and building construction industries fuelled sales gains of Carrier air conditioning equipment, Otis elevators, Essex Wire and Cable, automotive products, Inmont's automotive paint operations and Hamilton standard electronic controls. United Technologies said sales of Mostek's intergrated circuits fell slightly for the quarter but were higher for the full year.

At Pratt & Whitney, Mr Gray said commercial engines and spare parts sales increased over the year, offsetting a decline in military engine shipments.

Overall, in the final quarter the group, which ranks as the fifth largest manufacturing company in the U.S., said commercial and industrial sales were $3.1bn, up 11 per cent from $2.77bn a year earlier while government sales climbed by 16 per cent to $1.3bn from $1.12bn. For the full year commercial and industrial sales increased by 18 per cent

Ingersoll Rand profitable in quarter

By Andrew Baxter in New York

INGERSOLL-RAND, the New Jersey-based industrial, mining and construction machinery group, yesterday reported its highest quarterly profits since the first three months of 1982, continuing a strong turnround from heavy losses incurred in the 1983 recession.

Fourth-quarter net earnings were $23.2m, or $1.10 a share, on sales of $669.4m, compared with a loss of $83.1m, or $4.26, on sales of $589.3m. The 1983 period included a $86.8m restructuring charge.

For the year, Ingersoll-Rand reported profits of $58.9m, or $2.70, on sales of $2.5bn compared with a 1983 loss of $112.2m, or $5.94, on sales of $2bn.

Mr Thomas Holmes, chairman, said the 1984 recovery resulted from an improved domestic economy and continuing efforts to reduce costs and break-even levels. The improvement in U.S. markets was most notable in the car industry, highway reconstruction and commercial and residential construction.

The engineered equipment segment maintained its 1983 performance despite slowness in energy-related markets. Restructuring improved Ingersoll-Rand's overseas performance, despite the strong dollar. Orders rose 12 per cent in 1984 to $2.6bn.

JOINT-VENTURE COMPANY WILL HAVE ANNUAL SALES OF $800m

Volvo-Clark deal goes ahead

BY KEVIN DONE IN GOTHENBURG

VOLVO of Sweden and Clark Equipment of the U.S. have signed a preliminary agreement to merge their construction equipment operations in a new jointly-owned company.

The 50–50 venture will have annual sales of more than $800m in 1985 and a workforce of 7,500.

It will be the world's third largest construction equipment company after Caterpillar of the U.S. and Komatsu of Japan, and will be the world market leader in wheel loaders and off-highway dump trucks.

The deal represents a new attempt to consolidate important parts of the depressed U.S. and European construction equipment industries and create a competitor that can stand up to the two giants.

Earlier attempts at transatlantic co-operation in this industry, notably involving Massey-Ferguson of Canada, Fiat of Italy, J. I. Case of the U.S., and, more recently, IBH holding of West Germany, have been disappointing, but both Volvo and Clark are entering the deal from a strong financial position. Volvo is one of the few companies in this sector to have remained profitable throughout the recession.

A new jointly-owned holding company is to be formed with its headquarters in the Netherlands to take over the assets of Volvo BM, Volvo's construction equipment subsidiary, and Clark Michigan, the construction equipment subsidiary of Clark Equipment.

Both Volvo and Clark are transferring assets worth some $100m to the new company.

Mr Haakon Frisinger, Volvo managing director, said the two companies complemented each other well in both products and markets.

Clark Michigan has about 70 per cent of its sales in North America, where Volvo BM is virtually unrepresented, while Volvo BM has some 70 per cent of its sales in Europe and the Middle East, where Clark is weak.

The merger has been under study for about nine months, and the two groups hope to complete the deal during the spring.

No new name has been found for the venture, but it will use the established trade marks, Volvo BM, Michigan, and Euclid.

It is planned that Mr Eric Johanson, managing director of Volvo BM, will besome managing director of the new company, while Mr Leo McKernan, executive vice-president of Clark Equipment, will become chairman of the board.

The board will also include Mr Frisinger and Mr James Rinehart, chairman and chief executive of Clark Equipment.

Mr Johanson said the merger would produce a "financially very strong unit with strong market positions in both Europe and North America. The construction machinery business is a world business and this will position us to compete still more efficiently in the world market."

Volvo's transfer of its holding in Volvo BM to the Netherlands could well run into political opposition in Sweden, and Volvo's trade union officials have already objected to the move, while supporting the general merger.

VOLVO has launched a novel loan package in the Euromarkets comprising a $150m five-year standby credit and a $150m Euronote placement facility. This package is designed to increase its flexibility in tapping both the U.S. commercial paper and the short term Euronote market. **Page 48**

Reorganisation charge leaves Control Data 80% lower

BY OUR NEW YORK STAFF

CONTROL Data, the U.S. computer and computer products group, yesterday reported a 80 per cent decline in full-year earnings, partly reflecting the impact of a $130.2m pre-tax charge related to the group's decision in the third quarter to pull out of the IBM plug-compatible equipment market. After tax, the charge amounted to $70.3m, or $1.38 a share.

The Minneapolis-based group suffered its first quarterly loss in 10 years in the third quarter as a result of the charge. It returned to profitability in the fourth quarter, posting net earnings of $31m, or 80 cents a share, on revenues of $1.34bn compared with net earnings of $48.7m, or $1.26, on revenues of $1.25bn a year earlier.

For the full year, the group, which is involved in a major reorganisation and retrenchment programme, reported net earnings of $31.6m, or 81 cents a share, compared with $161.7m, or $4.20, on revenues which grew 9.7 per cent to $5bn from $4.6bn.

Excluding the one-time charge, Control Data's pre-tax earnings from information services and products fell more than 62 per cent to $57.7m from $152.9m in 1983 "due in large part to lower profits from computer services and peripheral products," the company said.

Control Data added that higher pre-tax earnings from its financial services operations partly offset the decline in information services and products earnings. The financial services division reported pre-tax earnings of $81.8m compared with $60.7m in 1983, reflecting increased receivables outstanding, reduced credit losses and improved operating expenses.

Baxter Travenol shows $93m deficit after $116m charge

BY WILLIAM HALL IN NEW YORK

BAXTER Travenol Laboratories, the U.S. health care product group, has reported a $93.5m loss in its fourth quarter after taking the $116m after-tax charge which had been announced last November.

The fourth-quarter loss contributed to the 87 per cent drop in full-year net income to $29.1m, or 20 cents a share. Stripping out the special charge, the group's pre-tax profits for 1984 fell 37.5 per cent to $169m.

Mr Vernon Loucks, the group's chief executive, says that 1984 was a year of repositioning for his company. "In response to the significant structural changes taking place in the health care market, we undertook a number of strategic actions to improve our manufacturing cost structure as well as to reduce the operating expense base of the company," he said.

Domestic sales for the year fell 5 per cent to $1.2bn, primarily as a result of lower levels of hospital activity, while international sales rose 4 per cent to $579.1m.

Baxter Travenol's poor performance in 1984 contrasts with that of other U.S. drug companies such as Merck and American Home Products where 1984 earnings are up by around a tenth. Bristol-Myers yesterday reported a 16 per cent rise in full-year earnings to $472.4m. Its earnings per share rose from $3 to $3.45 for the year.

The group's sales rose 7 per cent to $4.2bn, and Mr Richard L. Gelb, Bristol-Myers' chairman, says that he is pleased that for the twelfth consecutive year the group's profit margins have improved. Domestic sales are up 9 per cent while overseas sales rose 2 per cent. The company estimates that foreign exchange losses for 1984 were equivalent to 12 cents a share compared with 19 cents in 1983.

Earnings surge for Brazilian mining group

By Andrew Whitley in Rio de Janeiro

COMPANHIA VALE do Rio Doce, CVRD, the Brazilian majority state-owned mining and mineral processing company, generated a spectacular increase in profits last year, to 1,674bn Cruzeiros ($974m) at the average exchange rate after substantially higher global sales of iron ore.

Net profits surged 750 per cent before adjustment for inflation (224 per cent in 1984), one of the best results ever achieved by the company, which also owns and operates a large shipping fleet and the railway system in Brazil.

Gross sales revenue rose in 1984 to Cr 2,377bn ($1.38bn), compared with Cr 510bn ($829m at the exchange rate at the time) the previous year. This was despite a fall in the world price of iron ore and pellets, CVRD's principal products.

Thomson unit buys 35% of Sopha Medical

By David Marsh in Paris

COMPAGNIE Generale de Radiologie, the medical equipment subsidiary of the nationalised French Thomson group, has taken a 35 per cent stake in the private diagnostic company Sopha Medical as part of a pooling of corporate interests in the nuclear medicine sector.

The Commissariat à l'Energie Atomique (CEA) the state atomic energy commission, which also has considerable medical and-biology – linked operations, is also taking a 5 per cent stake in Sopha Medical to add to the new grouping's expertise.

The accord is intended to link Sopha Medical's expertise in software with Thomson's developments in hardware – particularly its gamma camera – to increase competitiveness on international markets.

Nuclear medicine uses neutrons to produce artificial radioisotopes which can be injected into the body and traced with sophisticated electronic apparatus to diagnose and treat diseases.

The CEA has just announced that its medical biology activities are to be split off into a separate subsidiary, Oris Industrie, which registered sales of FFr 340m ($35.1m) last year. Including the activities of other CEA medical product divisions, Oris hopes to boost the figure to FFr 1bn by 1988.

Akzo and Shell agree on European deal

By Laura Raun in Amsterdam

AKZO, the Dutch chemicals and fibres group, and Royal Dutch/Shell have reached final agreement on combining their consumer-product activities in Europe, after a year of negotiations.

Akzo has been keenly interested in reducing its dependence on the mature Dutch market as well as establishing a framework for further expansion in its consumer products operations. Akzo's consumer products division makes branded products in the areas of detergents and cleaning agents, health and body-care products and foodstuffs.

Royal Dutch/Shell, the Anglo-Dutch oil company, will take a 49 per cent stake in Akzo's consumer products companies, giving Akzo a 51 per cent majority and day-to-day control of the joint venture.

Amer acquires 33.5% interest in Marimekko

BY OUR FINANCIAL STAFF

AMER, the Finnish tobacco, publishing and paper group, has agreed to acquire 33.5 per cent of Marimekko, the ready-to-wear clothing and interior decoration company. The deal is struck at FM 40m ($6m).

The offer is eventually to be extended to the rest of Marimekko's capital. The 33.5 per cent to be purchased by Amer represents 75 per cent of the voting capital of Marimekko.

For 1983, Marimekko's sales totalled FM 104m, with interior decoration accounting for 70 per cent and clothing the rest. Profits were FM 8m before tax. Its payroll totalled 435 employees.

Amer, which four months ago acquired the Korpivaara group for FM 237m, had effective gross sales last year of FM 3bn with profits before tax of around FM 120m.

For the current year Amer's turnover, excluding any contribution from Marimekko, is estimated at FM 4.1m. Amer's profits are expected to be good, and those from Marimekko are said to be satisfactory.

The takeover of Korpivaara, which imports and distributes cars, represented one of the biggest domestic acquisitions ever seen in Finland. Amer is listed on the London Stock Exchange.

The change of ownership at Marimekko will not affect the group's trading structure, it was stressed yesterday. Registered in more than 50 countries, Marimekko is perhaps Finland's best-known national trademark.

Amer said the purchase was a step towards furthering its operations in high quality marketing. The deal added an additional layer of internationalism to the group, it said.

Massey ends involvement in Mexico

By Andrew Gowers in London

FORD MOTOR Company's tractor joint venture in Mexico, Fabrica de Tractores (FTA), has bought Massey-Ferguson's Mexican licensee Agrumak for an undisclosed sum.

The deal brings to an end Massey's involvement in the Mexican market and gives FTA, 40 per cent owned by Ford and 60 per cent by the government development bank, Financiera S.A., control of a tractor plant in Queretaro and an agricultural implement plant near Mexico City.

FTA, the leading tractor marketing operation in Mexico with about 40 per cent of the market, sells only one model there, the 6600 series agricultural tractor. Mr Robert Moglia, general manager of Ford's Michigan-based tractor operation, said the acquisition of Agromak would enable it to introduce new products.

Hughes Tool shows signs of recovery

BY OUR NEW YORK STAFF

HUGHES TOOL, one of the world's biggest manufacturers of oil drilling bits, is beginning to recover from the slump in the world oil services industry. It posted a $11.4m profit in its fourth quarter compared with a $65.7m loss in the final quarter of 1983.

The upturn over the last six months, when the group earned a total of $15.9m, was not sufficient to offset the first-half losses and for the full year Hughes posted a $133.8m loss, which compares with a $90.8m loss in 1983.

The 1984 figures have been depressed by a $174.3m pre-tax write-off announced in mid-summer. The losses related to phasing out certain product lines and writing down fixed assets and inventories. At the time, Hughes also cut its quarterly dividend by 43 per cent.

The group's sales, which have been falling since 1983, rose by 17 per cent in the final quarter to $337.8m and for the full year sales are just over $50m higher at $1.2bn.

Minnesota Mining & Manufacturing (3M), the U.S. conglomerate, yesterday reported a slowdown in quarterly earnings growth after a $12m pre-tax charge from the sale of a business in its electronics and information systems sector.

The charge, about $7m after tax, left fourth-quarter net earnings at $167m, or $1.43 a share, up just 2.4 per cent from $163m, or $1.39, in the 1983 quarter.

Profits for the latest quarter, which follow an 11.2 per cent rise in third-quarter net income, take net earnings for the year to $733m, or $6.27 a share, from $667m, or $5.67, in 1983.

Sales rose from $7.04bn in 1983 to $7.7bn last year.

Strong gain for First Interstate

By Our New York Staff

FIRST Interstate Bancorp, the eighth biggest U.S. banking group, yesterday reported a 12.5 per cent rise in its fourth-quarter net income to $74.8m and record earnings for the year of $276.3m – an increase of 11.7 per cent on 1983.

The group's total assets rose by only 2.5 per cent to $45.5bn over the year, and the rise in earnings was principally due to gains in both net interest income and other income. Mr J. J. Pinola, First Interstate's chairman, says that earnings growth would have been greater "except for a still high, but declining, level of non-performing assets, combined with relatively high levels of provision for loan losses and charge-offs."

A new time bomb ticks under Malaysia's top bank

BY CHRIS SHERWELL AND WONG SULONG

EARLIER THIS month, as Malaysia's scandal-ridden Bank Bumiputra completed a major re-organisation and the names of those implicated in its massive Hong Kong loan losses were finally revealed, a new time-bomb was set ticking which many believe is potentially even more explosive.

It was started by no less a figure than Tun Hussein Onn, a former prime minister. He is now adviser to Petronas, the state oil company which last September was ordered to step in to rescue the government-controlled bank through a huge financial restructuring.

Malaysia's largest bank, he suggested in an interview, had followed lending policies at home which were as flawed as those of Bumiputra Malaysia Finance (BMF), the Hong Kong subsidiary which incurred bad loans totalling 2.26bn ringgits (US$900m) to property developers, including the crashed Carrian empire.

Domestic loans, Tun Hussein declared flatly, were approved under doubtful security and improper guidelines, and the bank stood to loose hundreds of millions more. People now had to know not only about BMF but about the whole Bank Bumiputra set-up.

Such blunt talk from Bank Bumiputra's largest shareholder hardly inspired hope for a revival of confidence in the bank, and underlines the depth to which feeling has sunk over the most sensational financial scandal since Malaysia became fully independent in 1957.

To Tun Hussein, the embarrassment for the Malay people is acute. Here was one of the country's most prestigious institutions — set up to help indigenous Malays (or bumiputras), managed by Malays and a symbol of ethnic pride —lending and losing vast amounts of money through investments outside the country to Chinese property speculators.

The intangible psychological effect has been to corrode Malay ambitions to match the corporate skills and achievements not only of the entrepreneurial and competitive Chinese community in Malaysia but also of the most successful businessmen in the go-ahead South East Asian region.

Leaving aside the incalculable political impact, the most immediate effect has been a loss of ground by Bank Bumiputra to its nearest competitor in Malaysia, Malayan Banking, which in 1983 halved to 5bn ringgits the gap in terms of assets between it and Bank Bumiputra, whose assets slipped to 23bn ringgits.

Tun Hussein believes people should have been told much more much sooner and argues that a Bank Bumiputra inquiry with wider terms of reference and stronger legal powers would have exposed its domestic debts problem as well.

Tun Hussein has not specified the precise size of Bank Bumiputra's bad debts, but they are bound to involve more people—not only domestically influential borrowers but more bank staff too — so the reverberations could be widespread.

Tun Hussein Onn

There is no suggestion whatsoever that the bank could be in trouble. The central bank has just tightened regulations concerning the way unserviced debt is recorded in bank books, and this is expected to hit most banks in Malaysia. But the regulations are still liberal and the rules on provisions for bad debt remain very lax by international standards.

The Government has in any case always said it will stand behind Bank Bumiputra, and this is still widely accepted since the Government simply cannot afford a collapse. Indeed, the bank is probably more solidly based and better poised to make a profit than ever before as a result of the past few months' changes.

The most important of these was the September financial restructuring. Under this Petronas bought the 86 per cent stake in the bank held by Permodolan Nasional Berhad, the state investment holding company, for 933m ringgits and made a 300m ringgits capital injection. It also took over 1.16m ringgits of the bad Hong Kong debts while another 1bn ringgits was written off altogether. Paid-up capital, which had plunged to 476m ringgits at the end of 1983, is now 1.376bn ringgits.

Three and a half months after this restructuring, at the turn of the year, members of the old board were removed and replaced with a new team headed by Tan Sri Haji Basir Ismail, an experienced manager who heads the state rice authority and chairs several public corporations.

He has acted quickly, freezing all lending by the bank's foreign branches, ordering a scrutiny of the domestic position and promising to steer the bank back to its original objectives of helping to promote a progressive Malay business class.

Though speculation is now rife over whether the domestic loans problem could lead to more trouble, it should not mask what has been achieved so far, to the surprise of many who have expected a wholesale cover-up of the scandal.

The committee of inquiry, though only an internal private investigation confined to BMF's loans and with no powers to subpoena witnesses and documents, has played its hand so skilfully that, with the help of a groundswell of public pressure, the cabinet actually released to the public the committee's findings of prima facie corruption involving BMF officials.

It is still an open question whether these people will be brought to trial; even if they are it will take considerable time for the police to conduct their own investigations.

Ordinary people meanwhile still presume that the BMF officials were not acting alone, and that the scandal reaches to high levels of Malaysia's political establishment.

With Tun Hussein's revelations about possible domestic problems, the scope for still further damage has almost certainly been widened. On the other hand, Tan Sri Haji Basir's brief comments so far on the task he faces have spelled out more to the Malaysian people in days than his predecessor managed in more than 18 months.

What is certain is that everyone is learning a singularly painful lesson from the scandal, and that, for Bank Bumiputra, life will never be the same again.

The Dow concern that 'trades money instead of polythene'

THE NAME of Dow Banking has been in the news in Switzerland in connection with the planned sale of Foreign Commerce bank. Dow Banking is acting in a "corporate finance advisory capacity" on behalf of an unnamed client, which wants to buy this Swiss subsidiary of the troubled Deak-Pereira group.

This transaction is typical for Dow Financial Services, one of the most ambitious diversifications of the Dow Chemical concern based in Midland, Michigan. By the end of this decade, it intends to have built up a substantial position in lucrative niches of international finance.

Dow Banking itself is 20 years old, having been set up in Zurich largely to cash in on the profitable opportunities offered by the then new Euro-market. Although it has always been controlled by the chemical company, which today holds a 75 per cent stake with a minority quoted on Swiss stock exchanges, Dow Banking has never been a "house bank."

"We trade in money instead of in polythene – it's just a different product line," Mr Leslie Merszei, a former general manager, once said. Money has proved a much more profitable commodity than polythene. The Zurich bank, considered "sophisticated" and "serious-minded" by its competitors, has done well for its shareholders over the years.

Nevertheless, when the group decided to expand in this sector, it set up a Delaware company Dow Financial Services Corporation (DFSC), with a management and co-ordination subsidiary in London. The City, says Mr Merszei, today president of DFSC and chief executive of the London firm, is internationally more significant than Switzerland in the world of financial services, quite apart from such Swiss disadvantages as the high equity ratio requirements for banks.

Although Dow Banking is now controlled by DFSC, it will continue to operate as a major element of the DFSC group, expanding in such typically "Swiss" business as portfolio management and Swiss franc operations, as well as catering to private clients' needs. The sum of assets under management is planned to rise initially to some SwFr 2bn ($878m) as compared with a balance sheet total of SwFr 2.57bn at the end of last September.

"Now it is unburdened by international business, the Zurich bank should be more profitable than ever," claims Mr Merszei.

Most emphasis, however, is being placed on the creation of a profitable merchant banking operation.

Already, merchant banking facilities exist and are ready for expansion in London, Singapore, Hong Kong and through a Thai affiliate. Following the liberalisation of banking laws there, DFSC now foresees a joint venture bank in Australia.

Closely linked to this is the group's ambition to become the "private banking concern with the best performance worldwide by 1990." Here, as in merchant banking, an important role will be played by Arbuthnot Latham, a London bank in which DFSC holds a 52 per cent stake via Dow Scandia Holdings, which it owns together with Sundvallsbanken of Sweden and Bank of Helsinki.

Private and specialist banking services are to be concentrated in London—where Arbuthnot Latham is to open a "tea-with-the-clients" branch in the West End—and on Singapore and Zurich.

Another target for expansion is fund management and securities dealing. Apart from Dow Banking and its subsidiaries in Grand Cayman and Geneva, this will be carried out via an Arbuthnot Latham subsidiary and the London brokers Savory Milln. Dow Scandia already holds 29.9 per cent of this company and plans to take it over completely on "big bang" day —when outside interests are to be allowed to hold full control of London Stock Exchange member firms.

By 1989, about 25 per cent of total DFSC earnings are to come from leasing and factoring.

At present, DFSC's only direct U.S. presence is the Delaware address. Management is fully aware of the potential, however. Savory Milln has set up a New York subsidiary which in due course is to apply for a Stock Exchange seat, while the Delaware company is looking at the —albeit "low-priority" — possibility of buying out a small American firm in the field of investment banking or fund management.

John Wicks
Geneva

General Foods hit by strong dollar in third quarter

BY ANDREW BAXTER IN NEW YORK

GENERAL FOODS, the U.S. foods group whose products include Maxwell House coffee and Birds Eye frozen foods, yesterday posted a further fall in quarterly earnings. The decline was the result of the continued strength of the dollar and lower profits from powdered beverages and processed meats.

Net earnings for the third quarter ended December 29 fell from $66.7m or $1.28 a share, to $49.9m or $1.06. The earnings decline also reflects the absence of income from divested pet foods operations, but the effect on earnings per share was offset by share repurchases which reduced the number of shares outstanding.

For the first nine months, net earnings from operations slipped from $199.8m, or $3.84, to $181.8m, or $3.67. A gain on the sale of the pet foods business, offset by a provision to restructure some international operations, lifted final net earnings for the latest period to $220.2m, or $4.43.

Sales rose from $6.4bn to $6.7bn in the nine months, and from $2.1bn to $2.2bn in the third quarter.

Mr James Ferguson, chairman and chief executive, said the first three-quarters of the year had proved more difficult than expected. The company expected volume and growth in earnings per share to be good in the final quarter, traditionally General Foods' strongest. Earnings per share for the year are expected to be higher than last year's $6.10, which came from net profits of $317.1m.

RCA continues strong recovery in last quarter

BY WILLIAM HALL IN NEW YORK

RCA Corporation, the U.S. electronics and broadcasting group, continued its strong recovery in its final quarter with net income rising 37 per cent to $102.8m, helping push full-year earnings 50 per cent higher to a record $341m.

The 1984 results topped the previous earnings peak reached in 1980 and demonstrate that the group has almost fully recovered from its recent earnings problems and is benefiting from the extensive reorganisation instigated by Mr Thornton Bradshaw, who will shortly hand over the chief executive's role to Mr Robert Frederick, RCA's president.

Full-year earnings per share are 71 per cent better at $3.30, sales rose 13 per cent to $10.1bn and record profits were reported by broadcasting and electronics after excluding the special videodisc provision.

The group's 1984 earnings included a $175m special provision ($94.5m or $1.15 per share after tax) for restructuring the videodisc operation, and a $75.7m benefit from the cumulative effect of a change in the method of accounting for investment tax credits.

Mr Bradshaw said that the results "reflect a resurgence in the company's core businesses after a period of retrenchment and redeployment. RCA's balance sheet and overall financial condition are the strongest in recent years, and the company is well poised for future growth."

Broadcasting earnings (NBC) set a new record in 1984 for the second year running, with profits rising 40 per cent on a 13 per cent sales gain.

Earnings from the electronics segment (excluding the videodisc provisions) were boosted by the consumer electronics, solid state and government systems divisions. This area of RCA's business also benefited from the slimming down of the loss-making videodisc operations and reduced losses for its broadcasting systems division.

Sales of colour televisions and video cassette recorders were a record for the year, but severe price competition, particularly in the second half, continued to adversely affect operating margins.

The Hertz car rental operation achieved record revenues, but earnings, after an accounting change for investment credits, were unchanged.

Elkem plans London share listing

By Fay Gjester in Oslo

ELKEM, Norway's big metals, mining and manufacturing group, reports sharply higher profits for 1984 and says plans are being laid for a listing on the London stock market later this year.

Against a forecast of profits of NKr 450m, profits for 1984 emerge at NKr 500m ($54.5m) on sales 30 per cent higher at NKr 7.9bn. Net profits in 1983 totalled NKr 159m, before extraordinary items.

The result has enabled Elkem to increase its dividend by NKr 2.50 a share to NKr 8.

Elkem plans to modify its accounting policies, in compliance with international accounting standards. As a result, the 1984 accounts will disclose large extraordinary items which, in total, will improve 1984 net earnings by a "significant amount."

Market conditions for products such as aluminium, silicon and ferro-alloys were favourable throughout the year, and restructuring also contributed to the improved result.

Elkem will seek a listing in London in May. Foreign investors own about 16 per cent of the company.

Elkem also announced yesterday that it had agreed with the Norwegian Ministry of Industry on revised terms for a merger of its steel-making operations with those of Norsk Jernverk, the state iron and steel concern.

An earlier agreement, reached in direct negotiations between Elkem and Jernverk, was vetoed by the ministry last month as unfavourable to Jernverk.

Big operating profits fail to lift Eastern Air

BY ANDREW BAXTER IN NEW YORK

EASTERN Air Lines, the struggling Miami-based carrier, last night reported a $37.9m net loss for 1984 – its fifth consecutive annual deficit – despite a record operating profit in the last three months of the year.

Eastern, which last week backed down from a confrontation with trade unions over the extension of pay-cut concessions, made an operating profit of $69m in the fourth quarter, up from $60.9m in the previous three months.

But "unknown operating expenses" reduced final net profits to $10.7m or, 9 cents a share, in the latest quarter. This compares with a net loss of $54.8m, or $1.71 per share, in the 1983 period.

The 1984 net loss, equivalent to $1.58 a share, compares with a deficit of $183.7m, or $7.19, in 1983.

The 1984 figures include a $46.8m expense for the value of shares assigned to employees, while the 1983 loss took in $121.4m from the sale of tax benefits.

Revenues rose from $984.8m to $1.12bn in the quarter, and from $3.94bn to $4.36bn for the year.

Mr Frank Borman, chairman and president, said the airline was clearly on the right track. "The challenge facing us now is to maintain our momentum in this very competitive industry."

Eastern said last week it was restoring full pay to employees, having continued wage cuts of 18 to 22 per cent, agreed for 1984, into 1985. Some observers believe the climbdown will weaken Mr Borman's position in pay talks, in which both sides hope to reach agreement by January 31.

While Eastern's operations have improved, it faces a renewed bout of intense competition on domestic U.S. routes. Most analysts believe further wage restraint will be necessary this year if the airline, with its heavy debt load, is to post lower full-year losses.

Investor group set to buy Asuag stake

By John Wicks in Zurich

TALKS between a group of private investors and leading Swiss banks on the purchase of a stake in Asuag-SSIH, the country's biggest watch company, may lead to an initial share deal in the next few days.

According to Swiss Bank Corporation, the first transaction is likely to involve shares with a nominal value of some SwFr 10m to SwFr 20m ($7.5m). The consortium is led by Mr Nicolas Hayek, the business consultant whose report helped bring about the merger between Asuag and SSIH and the corresponding bank rescue programme.

The investor group also intends to draw up an option agreement with the shareholding banks for the gradual purchase of up to 51 per cent of Asuag-SSIH's outstanding shares. These currently have a nominal value of SwFr 400m. Further investors are expected to join the consortium.

Although no 1984 figures are yet available, it is considered possible that Asuag-SSIH might show a profit for the year. In calendar 1983 there had been a consolidated loss totalling SwFr 172m.

INTERNATIONAL COMPANIES and FINANCE

Brother Industries lifts sales and profits

BROTHER INDUSTRIES, Japan's leading typewriter maker, lifted parent company net income for the year to *November 20 by 5.9 per cent to* Y8.76bn ($39m). Sales rose by 16.3 per cent to Y187.21bn and profits before tax were Y17.47bn around Y4bn ($16m), only 2 per from Tokyo.

Earnings per share rose to Y34.38 from Y34.09, but the company has lowered its dividend total to Y10 from Y12.50 by cutting its final payment to Y5 from Y7.50.

Sales of office machines jumped by 33.3 per cent to Y84.2bn and those of sewing machines by 16 per cent to Y52.12bn but sales of home appliances fell by 9.7 per cent to Y19.6bn.

For the current fiscal year, the company projects net income up 2.8 per cent to Y9bn, or Y35.33 a share, recurring profits up 5.9 per cent to Y18.5bn and sales up 12.2 per cent to Y210bn. The dividend total is expected to be unchanged at Y10.

During the year, exports climbed by 31.2 per cent to Y114.29bn, or 61.2 per cent of the total, while domestic sales declined by 1.2 per cent to Y72.91bn.

● Brother Industries is unlikely to enter local production in Europe, Mr Katsuji Kawasima, its president, said yesterday, adds Kyodo from Nagoya.

Mr Kawasima was answering questions on the company's strategy to get around dumping duties levied on Japanese electronic typewriter exports by the EEC.

Brother last year exported typewriters to the EEC worth around Y4 ($18m), only 2 per cent of its total sales.

EEC officials have alleged that Japanese makers are dumping their products in the Community at less than Japanese domestic prices, and in December a provisional dumping duty was placed on electronic type writer imports until the end of March, pending an investigation.

Japanese makers are now negotiating with EEC officials but no conclusion on the allegations has yet been reached, Mr Kawasima said. He ruled out *local production* in Europe by Brother Industries if the dumping allegations are upheld, saying it would be much better to work under a tie-up arrangement with European manufacturers. A tie-up arrangement would achieve better understanding," he said.

CSR plans A$247m rights issue

SYDNEY — CSR, the diversified Australian resources and sugar group plans to raise A$247m (U.S.$200m) through a rights issue as part of its plans to restructure Delhi Petroleum, its oil and gas subsidiary.

SCR said 123.8m new shares will be issued on the basis of one share at A$2 each for every three shares and convertible notes already held.

The company said that over the next 12 months it will restructure Delhi to give shareholders earlier access to the profits from its oil and gas production in the Cooper Basin.

When CSR purchased Delhi in 1981, it was financed through a trust, the Delhi Australia Funds with a U.S.$950m loan package. CSR said that U.S.$875m of the loan has been drawn down to date.

The company said that the trust, because of accounting, legal and tax complications, restricts CSR's access to its full share of Delhi's profit before 1990. Higher spending on an accelerated exploration programme ,it said, had reduced the tax effectiveness of the trust.

CSR said it plans to prepay half of the Delhi Trust debt with the proceeds of the rights issue and from internal cash flow 'including proceeds from divestment of assets."

The rest of the debt, it said, will be absorbed by the company and shown on its balance sheet. This debt will either be directly assigned to CSR or refinanced by other means including, if necessary, drawing on unused long-term standby and other credits totalling more U.S.$500m.

The additional profit from Delhi, said CSR will enable the company to maintain its current dividend of 18 cents a share on the new shares barring any unforseen circumstances.

CSR *said that profit* for the year ending March 31 is unlikely to exceed the A$91.7m of the year before due to lower sugar and aluminium prices. Profit for the coming year, however, is expected to improve because of increased coal sales, cost cutting, and continued good results from iron ore and building materials sales.

When it first purchased Delhi CSR said that its share of proven and probable reserves in the Cooper Basin had increased to 26m barrels from 7m barrels. Its share of crude oil production is budgeted to increase to 3.7m barrels in 1985 will be made in two equal infrom 2.6m barrels in 1984.

Payment for the rights issue stalments, the first on acceptance by April 2 and the second by October 1. Rights trading will begin on February 11 and the offer will close on April 2.

The new partly paid shares will rank for half the interim 1985-86 dividend to be paid next December and thereafter will rank equally, CSR said.

The issue price compares with yesterday's closing share market price of A$2.7.

Agenceis

Rescue deal for China Cement

BY DAVID DODWELL IN HONG KONG

CHINA CEMENT, the loss-making Hong Kong cement manufacturer, has been rescued *by* mainland Chinese interests after protracted negotiations over the rescheduling of company debts amounting to about HK$1bn (US$128m).

In a brief statement, the company said that Kaiser Cement of the U.S., which originally held a 40 per cent stake in China Cement, with Green Island Cement and Kiu Yip, each with holdings of 20 per cent, had agreed to sell their shares to shell companies set up by undisclosed Chinese interests.

One of the companies, Brummen, will take 95 per cent of China Cement's shares, while the remaining 5 per cent has been acquired by Supreme Door, a shell controlled by the Hong Kong property group Cheung Kong.

It is understood that Brummen and Supreme Door will pay nothing for their shareholding but have agreed to assume responsibility for debts amounting to about HK$970m. Under a loan rescheduling arrangement agreed yesterday, the purchasers will immediately repay bank creditors HK$300m. The balance will be repaid in two tranches over a period of 10 years.

Kaiser Cement will continue for the time being to manage the China Cement plant, which is one of the most advanced in the world. It cost about HK$1.1bn, and began operating in 1983 when world demand for cement was deeply depressed.

Kaiser said last October that it had written off US$59m on its stake in China Cement, and Green Island Cement has written off its investment in the company. The other major shareholder, the Chinese-backed Kiu Yip, is understood to be closely linked with the shell companies mounting the rescue.

More help for Philippines bank

MANILA — The Philippines Government is injecting more money into the financially embarassed Development Bank of the Philippines (DBP) to enable it to resume its operations, the Monetary Fund for the disannounced.

President Ferdinand E. Marcos has issued a decree *increasing the capital of the* Government-owned bank from 10bn pesos to 50bn pesos ($2.7bn).

The bank stopped providing loans last year because of difficulty in raising funds. The presidential palace said the bank was forced to stop its lending operations because of a high rate of defaults and delinquencies by its borrowers.

The bank's reserves and assets were estimated to amount to 54.9bn pesos last year. Recently it has begun selling all its acquired property, including hotels, textile mills and real estate amounting to more than 1bn pesos. Many of the companies up for sale are distressed firms owing money to the bank, the announcement said. The companies were taken over by the bank to protect its interests.

Under the decree, the bank's 50bn peso capital will be divided into 50m shares with par value of 1,000 pesos each and would be fully subscribed by the Government.

● Mr Eduardo Cojuangco, a wealthy industrialist, has announced the dissolution of his government - created coconut milling company following accusations that it has monopolised coconut trading in the Philippines.

Mr Cojuangco said the decision to dissolve United Cocomut Oil Mills (Unicom) which he heads, was prompted by criticism that the company had monopolised the export of coconut products and destroyed private incentives.

It also followed a reported demand by the International Money Fund (IMF) for the disbanding of monopolies in the Philippines as a condition for granting new credits to the country.

President Ferdinand E. Marcos, in a related move last week, authorised oil millers, subject to government rules, to export their products directly to *the world market to maximise* foreign exchange benefits. Unicom said the presidential action appeared to be "the response of Marcos to criticism here and abroad that Unicom is a monopoly."

Mr Cojuangco, a former Congressman and an ambassador at large in Marcos' government, is among the Philippines' wealthiest men and a longtime Marcos associate. He heads several other companies, including a bank which holds huge deposits from the coconut industry and the giant San Miguel Corporation, the nation's largest brewery and food processor.

AP-DJ

Thai group falls foul of Mr Loo

By Wong Sulong in Kuala Lumpur

MR LOO CHENG GHEE, the Malaysian/Singapore Kentucky Fried Chicken franchise holder, who tried unsuccessfully last year to corner the palm oil market, has told Chareon Pokphand, his Thai chicken supplier, that he will not renew a 20m ringgit (US$8m) annual contract.

The move is the latest in a reorganisation of the business following a sharp drop in profitability.

Last week, using his family's 61 per cent control of Kentucky Fried Chicken (Singapore), a publicly listed company, Mr Loo dismissed Mr Kasamichi Yazawa as managing director.

On Tuesday, Mr Loo said that Chareon Pokphand's chickens were more expensive by 2 U.S. cents per pound, and smaller in weight than those from Holland.

He said he intends to get his supplies from other Thai exporters, adding that Thai chicken should be cheaper considering the lower transportation costs and a world glut. Chareon Pokphand pointed out however that the price and weight of the chickens were specified under the contract.

Following the dismissal of Mr Yazawa, Mr Loo, who is famous for his flamboyant management style, promised shareholders that Kentucky Fried Chicken would upgrade its services and serve tastier chickens.

● Sime Darby is to sell its 100 per cent-owned British subsidiary, R. G. Shaw and Company, for the equivalent of 64m ringgit at a profit of 32m ringgit. Bank Negara, Malaysia's central bank, has approved the transaction, AP-DJ reports from Kuala Lumpur.

INTL. COMPANIES & FINANCE

ANZ Bank spends its money to widen its outlook

BY LACHLAN DRUMMOND IN SYDNEY

THE AUSTRALIA and New Zealand Banking Group has laid out more than A$400m in the last year or so to bring together the components for its push towards the 1990s.

Chief among the group's moves was the recent A$275m takeover of Grindlays Holdings, the London-based international bank which numbers among its interests the largest foreign-owned banking operation in India but, more significantly for the ANZ, a banking licence in Japan and a string of operations or branches in Asia, the Middle East and Europe.

It is this international spread, giving the group the ability to match or to better existing and potential competitors in the Australian banking market in trade-related financing, which was at the centre of the move.

The takeover has added about A$8bn of assets to the ANZ, taking its year-end total to some A$36bn. While increasing its exposure to risky Third World assets to somewhere around 4 per cent on the total, the new parent says that any trouble spots are well identified.

The ANZ took stern action at its September 30 year-end with its new subsidiary, charging slightly more than A$100m as additional bad debt provisions to cover sovereign risks on Grindlay's books, and injected a similar amount of new capital directly into the Grindlays Bank subsidiary.

Since appointing an executive director and three other representatives to the Grindlays board, a *review of Grindlay's* operations has been undertaken.

Steps are underway to integrate ANZ *and* Grindlay's offices in areas where they overlap—with the ANZ name likely *to be adopted* in North America and Grindlays through most of Asia.

A fully strategic plan on how best to harness the resources of the two banks has yet to emerge, although there is a particular interest in developing a larger presence in south-east Asia.

Mr Will Bailey—recently appointed managing director, after the untimely death of Mr John Milne, stressed that the ANZ will not be chasing high risk business in less desirable countries. But he sees as inevitable a shift in the balance of business between its predominant Australian and New Zealand bases and elsewhere.

This will reflect in part the introduction of new banks in Australia, offering a loss of domestic market share to ANZ Mr Bailey expects more than to make up through international expansion.

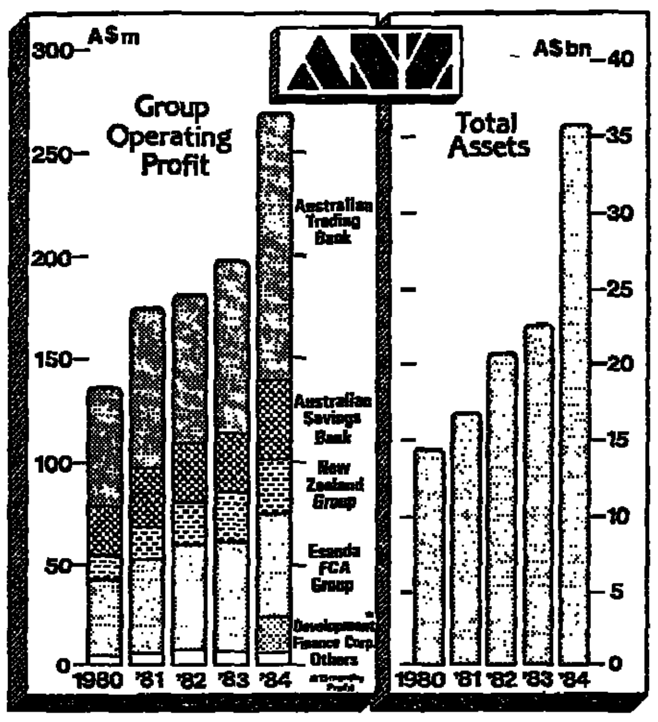
However, its home bases will still account for more than half of assets, while the international links are expected to help the Australian operations by differentiating the ANZ *from its other banking rivals* in an increasingly competitive market.

This internationalist *approach* is far from unusual for a bank which until 1976 was officially domiciled in London, and until the rapid expansion of London as an international banking centre in the 1970s, claimed, with then 1,000 staff, to have the biggest presence in the City outside the UK Big Four.

This overseas base for a domestic bank resulted in the ANZ building a dominant position in the trade finance-foreign exchange area in Australia, a position it has maintained and where Grindlays' interests in the mid-east will give the bank a 24-hour trading *capability*.

Meanwhile, as the Grindlays move has served to enhance the *ANZ's reputation as the bank* most keyed into the business community, its other major developments can be seen as aimed most at the retail-consumer end of the market, where it has traditionally drawn a smaller proportion of business than have the rival Westpac, National, and Commonwealth banks.

The main step was the A$92m takeover of Development Finance Corporation, which had as its chief operation the Australian Fixed Trusts group which with A$1bn under management holds the leading



position in the Australian property and unit trust industry with a roughly 30 per cent market share. All up, the ANZ *now manages some A$3bn of* investment funds.

To this it has also added a *trustee and executor operation* and more recently a half share in a stockbroker, McCaughan Dyson.

The group now faces the task of fully digesting these new businesses, while at the same time knitting these diverse operations effectively with its traditional banking and finance business to ensure maximum benefits.

While developing this smorgasbord of financial products for its clients and customers, the bank is aware that its equally significant and costly steps in the development of electronic banking threaten to *leave its customers outside on* the pavement pushing buttons, rather than inside its 1,200 *branches, receiving a soft-sell* on services.

Overcoming this side effect of the *plastic* revolution is seen as one of its main challenges, and as the television screens already suggest, *stepped* up advertising from the ANZ — and its competitors — will form a large part of the answer, along with an emphasis on service once the customers has been enticed back through the door.

Meanwhile, the Grindlays takeover and the accompanying A$225m rights issue put a temporary crimp in the normal premium rating ANZ shares enjoy in the share market.

Although the foreign expansion is seen as a positive step for the ANZ, the immediate outlook of some dilution to earnings growth took some gloss from its relative perfor*mance.*

Its high rating reflects the view that the ANZ is a little *more profit orientated than its* private rivals and more mindful of its shareholders.

For much of the last two years or so it has also benefited in investors' eyes from having missed out on the 1981 merger rush which cut private trading bank numbers from five to three, a step which until this year had generated more costs than benefits for the merged banks, serving to enhance further the ANZ performance.

For the year to September 30 just ended, the ANZ's net earnings were ahead from A$197.9m to A$269m, without any input from Grindlays. This total is expected to surge to A$345m for the current year, as Grindlays recovers and Australia business advances.

By comparison, Westpac, the largest private sector bank, achieved net profits of A$305m last year, and is expected to turn in around A$355m for 1984-85.

BUSINESS LAW

Why Chicago thinking could be relevant to European competition policy

BY VALENTINE KORAH

EUROPEAN COMPETITION policy, originally developed on the model of U.S. antitrust, has largely ignored the change in the attitude of the U.S. enforcement agencies. Their policy has been strongly influenced by the thinking developed at the University of Chicago and based exclusively on considerations of economic efficiency, on better bargains in the short term for consumers. Other aims of antitrust are rejected as impossible to enforce objectively. Efficient small firms may survive, but should not be protected from more efficient larger firms.

The enforcement authorities for the European Community, UK, and West Germany have always acknowledged efficiency as a goal; but have not developed the concept systematically and have not restricted it to short-term benefits to consumers. Their thinking has been influenced by *other objectives—freedom* of choice for consumers even where today's consumers are *not prepared to pay for it, and* by the social concern about small firms and the prevention of job losses.

One indication of the contrasting views is the different *attitudes to barriers to entry.* During the 1930s economists, especially from Harvard, perceived barriers as pervasive. The need for technology or capital would exclude newcomers. That view has been

Contrasting views of barriers to entry

widely accepted in Europe. In *its ninth report on competition* policy, the EEC Commission asserted: "Competition carries *within it the seeds of its own* destruction." As an efficient firm increases its market share, it *may become the only supplier.* Stigler, a Nobel prizewinner from Chicago, however, defines entry barriers in relative terms, as costs higher for a newcomer than for the incumbents. If a market is lucrative, it will pay someone to enter it, however large the capital required; efficient newcomers can usually duplicate the incumbents' technology more cheaply than they developed it.

An efficient firm expanding at the expense of its competitors causes no public harm since, if its efficiency declines, others will be able to enter and com*pete.* Apart from government regulation, the only barrier to entry unlikely to be eroded is a minimum scale of operation that *is large in relation to the market.*

If entry barriers are pervasive, existing firms with large market shares should not deter entry artificially by adopting rebate systems with which a small potential entrant could *not compete, nor extend* market power over one product by refusing to supply it without *another* (tied) product. In America, however, it proved difficult to distinguish compet*ing on the merits* by offering better value to consumers from improper exclusionary practices and in 1945 *Alcoa* was convicted of monopolisation for preparing for every increase in demand so that there was never a shortage making entry easy. Evidence of excluding competitors artificially had been dismissed, so Alcoa was convicted for efficiently creating and meeting demand. More recent cases such as *Kodak†*, *IBM‡* and *Du Pont§* have given greater emphasis to the need to allow efficient firms to compete aggressively through innovation.

The UK Monopolies and Mergers Commission (MMC), like the European Community authorities, follows the older view and condemns rebate structures adopted by firms with large market shares, which could not be effectively copied by smaller suppliers. For instance, the MMC condemned the *progressive rebates offered by Metal Box¶* in so far as they could not be roughly justified by *cost savings as making* it harder for a competitor to enter the market. Markets for empty *tins are small because of* transport costs, and unless Metal Box's rival could open a can-*making factory wherever its* customers canned something, it would not be able effectively to *match the progressive rebates* offered by the established firm.

In *Michelin,*‖ the Community authorities went further and condemned the only maker of heavy tyres in the Netherlands for offering *incentive* rebates to dealers who sold more Michelin tyres than in a previous year. Yet such discounts could have been copied by its competitors, large multinationals, and *must* have encouraged dealers to *attract new customers.*

increased thereby.

Even where entry barriers *are high, the Chicago school* denies that vertical restraints reduce competition. As Mr Aaron *Director* asked his students, why should a firm with market power over product X *refuse to sell it without* product Y? A customer wanting both products would be prepared to pay for X the value to him of both products, less the cost of acquiring Y. A monopolist of X would not be able to increase his monopoly profit by requiring customers to buy Y from him too. *If he ties* Y it must be for reasons that increase effeciency, and not to lever *himself* into the market for Y.

First, where there is no other source of Y technically compatible with X, it is recognised that tying is lawful. Secondly, tying may enable a monopolist of X to charge different prices according to the value placed by *different customers on Y.* Patentees often charge licensees royalties and make more from licensees who practise the innovation intensively. To prevent licensees from cheating in the absence of a good metering device, one may require them to buy all of some component or raw material at a high price.

share price collapse of Octo-

Thirdly, licensees may be deterred by the royalty from using enough of a patented input. Charging the royalty on the whole finished product may encourage them to use inputs in efficient proportions. It would be stpuid for a patentee to tie unless efficiency was increased thereby. To forbid contractual restraints that increase efficiency may induce suppliers to integrate downward by merger or growth rather than by contract, even when an independent dealer or licensee would otherwise be more efficient.

The judgment of the U.S. Supreme Court in *Continental TV v GTE Sylvania*** illustrates modern U.S. thinking on vertical restraints. *The Supreme* Court recognised that although vertical restrictions reduce competition between dealers in the same brand, "they promote interbrand competition by allowing manufacturers to achieve certain efficiencies." Retailers might not provide promotional services, such as stocks and demonstrations, unless protected from other retailers nearby taking a free ride on their investment and undercutting them. Sylvania's scheme, whereby only a few retailers were franchised to sell its products in each locality was held not to be anti-competitive.

The enforcement authorities have gone further along the Chicago road than the courts, which still treat vertical restrictions on price as illegal *per se. Few vertical restraints,* joint ventures or mergers that may increase efficiency are prohibited. Only naked cartels, likely to raise prices rather than reduce costs, are prosecuted, and substantial efforts are devoted to persuading government to regulate as little as necessary.

Despite contrary rulings by the European Court, the Commission habitually treats as restricting competition vertical restraints on licensees and dealers that increase efficiency, even when it later exempts them under Article 85(1) on the ground that, *for instance,* without an exclusive manufacturing patent licence, a product could not have been introduced in Europe. If so, there was no competition to restrict.

The possible relevance of *Chicago* thinking based on efficiency presents the most important question for the development of competition policy in

Regulating as little as necessary

Europe. Even if the doctrine is not fully accepted, increased attention to efficiency is desirable, especially in relation to vertical restrictions. This *is* the most important challenge to the former Irish Attorney-General, Mr Sutherland, as he takes over from Mr Andriessen at the Commission in Brussels.

* *149 F 2d 416, 1945.*
† *Berkey Photo v Eastman Kodak, 603 F 2d 263 (2d Cir) 1979.*
‡ *California Computer Products v IBM, 613 F 2d 727.*
§ *E. I. DuPont de Nemours, CCH Trade Reg Rep 21,770 (titanium dioxide).*
¶ *1970, HCP 6.*
‖ *[1982] 1 CMLR 646, confirmed, case 322/81.*
** *433 U.S. 36, 1977.*
†† *Monsanto v Spraytite, 1984 (U.S. Sup. Ct).*

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Dunlop holders in U.S. advised to sell to highest bidder

BY CHARLES BATCHELOR

Dunlop Holdings may not be able to count on the support of its U.S. shareholders, who own 28 per cent of the equity, in its fight to remain independent of **BTR**, the broadly based conglomerate.

Mr Ronald Haave, a New York investment adviser with discretion over 7.3m shares—5.1 per cent of Dunlop's equity—said yesterday that the refinancing package proposed for Dunlop offered "no help" to U.S. shareholders since they could not take up the rights issue.

"Frankly I would sell the stock to the highest bidder," Mr Haave said. "I am recommending to small U.S. shareholders they vote 'no' on the reconstruction proposal."

Dunlop is attempting to rally the support of its shareholders to fight off the BTR bid which was launched last Friday. BTR has already bought a 28 per cent stake in Dunlop's preference shares which would allow it to block the £142m refinacing package Dunlop intends to put to its shareholders on February 8.

U.S. investors, many of whom bought Dunlop shares last year in hopes of a takeover bid for the company, hold a total of 40.47m shares in American Depositary Receipt (ADR) form. Most of the ADRs were issued by Morgan Guaranty, the U.S. commercial bank.

Mr Haave said this did not mean he viewed BTR's £33m offer for Dunlop's ordinary shares as adequate. Dunlop expected to reduce its debt by £150m from the sale of various assets and would carry with it £200m of tax losses, he noted.

Dunlop has not registered its *shares with the Securities and Exchange Commission in New York.* This means U.S. shareholders cannot accept shares to be issued under the 15-for-seven rights issue which forms part of the refinancing package, Mr Haave said.

This would exclude U.S. shareholders from any capital appreciation in the shares or any dividends paid if Dunlop survives and returns to profit.

Hill Samuel, one of Dunlop's *merchant banking advisers, said* that U.S. shareholders would be able to sell in the market the shares to which they were entitled under the rights issue and benefit from any premium.

It described registering with the SEC as "an horrendously expensive and complicated business which is not a realistic aim at this stage."

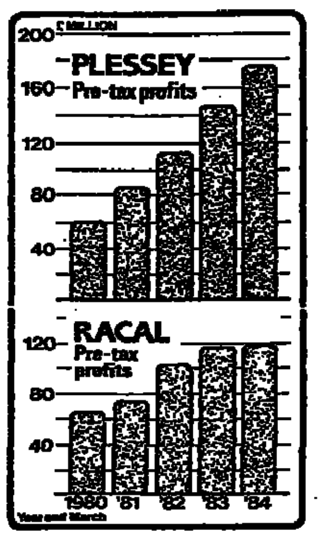
Prof Robert Pritchard, spokesman for the Dunlop Shareholders' Association, which represents both U.S. and UK shareholders, said that if that issue could not be renewed then a bid could be more attractive to U.S. investors than the refinancing package.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Anglia Television	5	May 2	4.5	8	7
D. F Bevan ... int	0.25	April 10	0.25	—	1
Bootham Engineers	6	—	3	6	3
Caledonian Cinemas int	2	Feb 15	2	—	10
Estates Property ... int	2.75	April 3	2.75	—	8.25
A. & J. Gelfer ... int	1.9	April 15	1.9	—	4.9
Lookers	3	April 30	2.6	4.5	3.87*
Park Food ... int	1.2	—	1	—	3
Plastic Constructions	1.83	April 1	1.54	2.67	2.38
Racal ... int	0.77†	Feb 25	0.73	—	2.89
Saville Gordon ... int	1.4	April 10	1.1	—	3.72
Stewart Plastics ... int	0.88	March 15	0.79	—	2.43

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.



Racal sees sharp profit fall

MAINLY AS a result of under-*performance* by Racal-Vadic, the directors of **Racal Electronics** tell sharehodlers that profit for the year ending March 31, 1985 "will be much lower" than that previously forecast. Originally they were looking for profits to show a "good improvement" over the 1983-84 figure of £119m.

The forecast takes into account some £12m expenditure on the lanch costs of Racal-Vodaphone, and exclude the Chubb & Son group of security services which Racal acquired last October.

After allowing for Racal-Vodaphone costs of £5.39m, compared to £549,000, the group's profit before tax for the six months ended October 12, 1984 showed a slight reduction to £47.18m, from £48.73m, on sales ahead by £64.3m to £449.54m. And it is apparent that the second half will be substantially below expectations.

The under-performance by Racal-Vadic reflects delays in new product development and a general weakening in the demand for a new range of modems addressed to the personal computer market. Consequently this company's sales for the full year are expected to be some $35m les. than planned and profit will be considerably less than half that for the previous year.

At Racal-Milgo Miami the order intake wil be a record and in line with projections. But customer requirements on certain large orders are scheduled for delivery in the next financial year, and will result in sales and profit being lower than planned; although the level of orders carried forward will be by far the greatest in the company's history. All other activities continue to perform well.

In the half-year tax absorbs £16.51m (£18.76m) and there is a minority loss of £204,000 (profit £71,000), leaving a net profit of £30.87m (29.9m) for earnings of 5.77p (5.59p) per share. Extraordinary debits come to £3.16m (£181m). The interim dividend is 077p (0.73p).

The integration of Chubb into Racal is proceeding and the directors remain confident that the long term future of Racal-Chubb is "very exciting." They are reviewing the operations and accounting policies of Chubb and when this has been completed will be in a position to make a statement on the profit contribution that can be expected.

Looking at the prospects for 1985-86, the directors say group sales overall should be of the order of £1.5bn. Chubb will be fully integrated with improved profit margins, while Racal-Milgo will continue to grow as will tactical radio, where the level of activity is very much higher than for some time. The performance from Racal-Vadic should improve considerably as the new range of products is introduced.

Racal-Vodafone will make sales *in excess of £30m and,* as already forecast, the trading losses will be £8m. In the last quarter of 1985-86 this operation is expected to break even and will then move into profit.

Litigation settled

Codex Corporation and Racal-Milgo announced the settlement of almost a decade of patent and related litigation in both the U.S. and England.

The litigation, which began in 1976, has over the years involved Milgo and Codex suing each other over various patents alleged to be used by the other in their modem products. In May 1983 one of the legal actions in England was decided in Codex's favour.

By thiss ettlement Codex and Racal have agreed to terminate all litigation between them and have entered into a worldwide cross-licence of each others patents for modems and multiplexers and covering particularly the Codex patent on V29 modems. In addition, Racal has paid £7.375m to Codex to cover legal costs and royalties and in full and final settlement of all outstanding litigation and disputes.

Alexander Nicoll on the Monopolies Commission's verdict on bid for Booker

Four-to-one give Dee the green light

THE SRI Lankan Minister of Finance, the Highlands and Islands Development Board and the Bull Inn, Maidstone, all had their say in the Monopolies and Mergers Commission's investigation of **Dee Corporation** and **Booker McConnell.**

All expressed their concern about aspects of Dee's proposed acquisition of Booker. But the Commission, focusing heavily on the effects of a merger on competition in the wholesale cash and carry food trade, determined that Dee should be allowed to proceed with its bid if it wishes to do so.

The panel' decision was by four votes to one, with strong dissent recorded by Mr Bernard Owens.

Central to its decision was an examination of whether the combined group's cash and carry prices would be increased *because of reduced competition,* and whether the merger of the companies' wholesale and retail interests would have detrimental effects. It also looked at the prospects for Booker's interests outside food distribution.

Taking Institute of Grocery Distribution (IGD) estimates, the Commission said the combined group would have 21 per cent of the total £3.67m turnover of grocery cash and carry operators. Dee had 11 per cent in 1983, Booker 10 per cent, Nurdin & Peacock 14 per cent and Makro 10 per cent.

Other companies were a long way behind these four, but the panel also noted the existence of buying groups formed by smaller companies, including Landmark which had 13 per cent of the same market and ICCG with 9 per cent.

Over 70 per cent of retail grocery turnover, however, did not fall within this market because it is supplied directly from manufacturers to retailers. Of the remaining wholesale route, delivered trade, Booker has 15 per cent of a £2bn market and Dee has no presence.

Dee argued that the cash and carry market was £10bn to £12bn, including fresh and frozen foods and some non-food products. While apparently not embracing this argument, the Commission did conclude that the IGD estimates overstated Dee's and Booker's national market shares, since many retailers use more than one source of supply.

Assuming a bigger market than the IGD estimate, the Commission said the merged company "would be the largest supplier in grocery wholesaling nationally, but its market share would not be such as to give it a dominant position."

Examining regional and local concentrations of Dee and Booker regional cash and carry depots, the Commission said the merged company would have its strongest positions in the North, East Anglia, the South-West, Wales and the South-East. Competition would not be evently spread, but would be concen-*trated in particular regions,* including most of these five.

A detailed study was made of the individual location of depots, of which Booker has 19 per cent nationally and Dee 16 per cent. The nearest rival, Nurdin & Peacock, has 5 per cent, and Makro 2 per cent, though their depots are considerably larger than Dee's and Booker's.

Assuming a 10-mile radius for the catchment area of each depot, the Commission determined that 46 of Booker and Dee's 210 depots currently face no or limited competition. A merger would add a further 24 depots to the list.

Assuming a 20-mile radius, the figures would be 12 and nine respectively. "It will thus be seen that the merger would have implications for local competition in very few cases," it said.

The merged group would not materially increase prices in these areas of reduced competition, the panel said, because:

● New competitors can easily enter cash and carry wholesaling, and existing competitors can open new depots at relatively low cost;

● Price increases by the combined company would make delivered wholesalers more competitive;

● Price rises would exacerbate the problems of independent grocers, the most important group of customers, who are already declining in number. To a suggestion that Dee would welcome this because its retail outlets compete with the independents. "Dee insisted that it would not pursue such a policy, *and that the two sides of its* business would operate independently of each other."

The Commission accepted this. It noted that the temptation to weaken smaller retail customers would exist, especially after Dee's recent doubling of its supermarket interests through the acquisition of International Stores from BAT Industries, but said: "We do not think that Dee, owning a cash and carry business with a turnover approaching £800m per year, would set its prices at levels which endangered it."

The report acknowledged the concerns of some wholesalers that the merged company would have an unfair advantage over the other wholesalers because of greater purchasing power with manufacturers. But it said: "The pressure of competition in cash and carry wil continue to be strong enough for it to pass on most if not all of the benefit to its cash and carry customers, to avoid losing business."

Turning to delivered trade, the Commission heard expressions of concern from retailers and local authorities that Dee's planned disposal of this part of Booker's business would reduce the quality of service and competition in the field.

Acknowledging these worries, the panel said however that "if the needs of retailers for delivered grocery wholesaling can be profitably met, suppliers are likely to be forthcoming on a regional or local if not national basis."

On retail market shares, the addition of Booker's Budgen and *Bishops stores to Dee's Gateway* and other chains would increase Dee's market share by only 0 9 per cent to 8 per cent.

If anything, the report said, a merger "would enable Dee to become a stronger market competitor to the largest multiples."

The Commission said the merged company, especially after the purchase of International Stores, would be able to obtain better terms *from manufacturers* through its aggregated wholesale *and retail purchasing power.* But competition in both sectors would force the group to pass the benefits on to its customers.

Retailers argued before the panel that the combined group could use the benefits of the merger in favour of its retail business. They said Dee would not pass on the benefits to cash and carry customers who were in competition with its own retail stores.

Dee argued that it would run the wholesale and retail businesses separately, and that failure to pass on benefits would result in loss of customers.

The Commission accepted its argumnets: "We do not think that Dee would be so short-sighted as to sacrifice the very large merged cash and carry business to its retailing interests by letting its prices get out of line with those of its competitors." If it did, other cash and carry operators would take its place. If Dee did charge prices aimed at weakening smaller retail competitors, "they could ask the Office of Fair Trading to investigate the situation."

The report forecast some staff economies after a merger, but said the reduction in employment would not be substantial in national terms.

The Commission examined Booker's other interests: health products, agribusiness and smaller activities including books —it awards the annual Booker Prize for fiction. and holds the rights to Agatha Christie and Ian Fleming novels. It heard many expressions of concern, not only from Booker but also from Third World governments, that Dee would not have the necessary experience and understanding og agricultural development.

Though it understood these concerns, the panel said: "We se no reason for concluding that Dee would not continue to run this part of the business in a responsible manner and maintain its efficiency and profitability."

Mr Owens, dissenting from the majority view, said the national market share of the combined company's cash and carry operations would by itself prompt him to vote against a merger, taking into account the proportion of turnover derived from depots with limited competition.

Regionally, Dee would have 60 per cent of the depots throughout considerable areas of rural England and Wales, he said.

He noted that Dee acquired International at a late stage in the Commission's inquiry, and that only submissions from Booker and Dee were heard after the announcement. Mr Owens said Dee lacked the patience, tact and experience to manage Booker's overseas agricultural interests.

The Dee Corporation PLC and Booker McConnell PLC. A report on the proposed merger. The Monopolies and Mergers Commission. HMSO £6.55

MAJOR GROCERY CASH AND CARRY OPERATORS IN 1983*

	Depots Number†	Depots % of total	Sales £m	Sales %
Dee	94	16	393	11
Booker	116	19	380	10
Dee & Booker	210	35	773	21
Nurdin & Peacock	29	5	516	14
Makro	9	2	350	10
Lonsdale & Thompson	13	2	140	4
Batleys	6	1	128	3
RDFG	11	2	50‡	1
Watson & Philip	7	1	40	1
Others	310	52	1,673	46
Total	595	100	3,670	100

* Excludes depots and sales of specialist cash and carry wholesalers but includes est. £180m sales through 40 mixed mode depots and £45m sales through 23 depots in N. Ireland.
† As at January 1 1984.
‡ IGD estimate

Source: Institute of Grocery Distribution

PACKAGED GROCERY SALES
12 weeks to March 24, 1984

	% of market share
Sainsbury	16.7
Tesco	15.0
Asda	8.0
Sub-total	39.7
Dee + International	7.0*
Kwik Save	5.7
Argyll	5.4
Fine Fare	4.6
Safeway	2.0
Hillards	1.7
Waitrose	1.4
Other multiples	6.9
All multiples	74.4
All co-op	14.9
Others	10.7
Total	

* Excludes Lennons

Source: Audits of Great Britain

FNFC advances £6m and sets terms for dividend resumption

WITH satisfactory increases in both the lending and property and consumer credit divisions, **First National Finance Corporation** has lifted taxable profits by £6.18m to £17.6m for the year ended October 31 1984.

Mr John Glyn, the chairman, says that the company, however, is not yet in a position to consider a resumption of dividends—last paid in 1974—as it has not reached the legal minimum requirement of having shareholders' funds sufficient to cover the total of its share capital, share premium account and other undistributable resources. The shortfall has been substantially reduced, from £21.16m to £229,000. Shareholders' funds increased from £16.58m to £34.18m.

As regards dividends for the current year, Mr Glyn says payment depends upon results, and the establishment of a £3.49m sinking fund within the subsidiary First National Securi-*ties (Holdings) in respect of its* 12½ per cent convertible unsecured loan stock.

The Holdings offshoot—established to handle the capital reorganisation in the wake of the secondary banking crisis of 1974—reduced the taxable result by £3.82m (£4.07m). It also holds the £32m outstanding of the support group loans, with the whole of the principal amount of the deferred loans having been repaid in the course of the year under review.

Mr John Glyn, chairman of First National Finance Corporation . . . shareholders' funds more than doubled to £34.18m in 1983-84

Turnover fell by £7.44m to £59.07m. Lending and property accountea for £8.25m (£5.2m) of the pre-tax return, and consumer credit contributed £13.18m (£10.3m), with an exceptional £145,000 credit last time.

After a £685,000 tax credit in respect of 1982-83, earnings per 10p share are shown at 14.2p against 9.8p.

● comment

These preliminary results from FNFC are testimony to the value of the Bank of England's "lifeboat" used to bail out the casualties of the secondary banking crisis 10 years ago. Without it, FNFC's property losses in the mid-1970s would have been enough to wipe out the company's shareholders' funds. Now, these funds have, to all intents and purposes, been re-established, heralding, in the words of one broker, the group's financial rehabilitation. Although the directors are not committing themselves, the tone of the statement clearly suggests that the company is almost at the stage when it can resume dividend payments, a view which gets support from the stronger trading base and shrinking debt commitment. The growth in the consumer credit market is helping the cedit division on its way, particularly the demand from the home improvement market. The property side has always been an irregular performer, but last year it came through strongly, thanks to the favourable timing of completions and some sales. That, however, will be difficult to match in 1985, but the consumer side will more than compensate. At 83½p, up 1½p, the historical p%e is far from demanding at 5.9.

Margins improvement at Wm. Sommerville

Half-year results at **William Sommerville and Son,** fine papermakers, are bad compared with the same period last year, the board says.

Pre-tax profits are down from £272,000 to £107,000 for the six months ending November 30, 1984, in spite of turnover up from £2.76m to £3m.

However, when compared with the £23,000 loss for the second half of last year, the board says they show a "welcome return to profit."

They would have been £75,000 better if the company had been able to obtain normal coal supplies from the NCB, the board adds.

It says that it is only in the past three months that cost increases in pulp have levelled off and paper prices have caught up enough to give reasonable margins.

Steps taken to increase output started to take effect in the last three months helping reduce unit costs. The board feels that if demand remains reasonably firm for the next six months the outlook to the year-end is encouraging.

However, the board says the present state of the international currency markets makes any forecasting a very risky business.

As already announced the interim dividend is unchanged at 0.55p net. Earnings per 25p share were 9.02 (23.24p).

Tax was £48,000 compared with £122,000.

Continental & Ind

At November 30 1984 net asset value per 25p ordinary share of **Continental & Industrial Trust,** an investment trust, totalled 676.4p after prior charges at par, which compares with 580.3p.

Net revenue for the half year to November 30 moved ahead to £1.61 from £1.32m, after tax of £890,000 (£868,000). Earnings per share were 9.4p (7.68p).

Franked income is put at £1.51m (£1.17m) and unfranked £1.23m (£1.26m). Expenses and interest took £239,000 (£241,000).

An interim dividend of 6p has already been announced—payment will be made on February 7.

Somportex heads for loss as Slush Puppie declines

A DECLINE in the fortune of Slush Puppie, the crushed ice drink, has hit Somportex Holdings and a loss is forecast for the current year.

For hte six months to October 31 1984 pre-tax profits were down from £468,000 to £196,000 on turnover of £3.23m (£3.4m). Slush Pippie sales were below expectation.

The board forecasts a loss for 1984-85(taken as a whole, but this is not expected to be as large as 1983 when the company made a loss of £396,000. Profit before tax for the year ended April 1984 was £104,020.

Somportex, which distributes confectionery, groceries and delicatessen products, says determined efforts are being made to get back into profit.

New products are being introduced and present lines progressed. The board says the loss forecast's impact on cash flow will be substantially mitigated by the level of depreciation.

Tax in the half year was £104,000 (£249,000). Earnings per ordinary 25p share were 3.29p (7.82p).

Public Works Loan Board rates

Effective January 23 1985

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	11¾	—	—	12¼
Over 1, up to 2	11½	11½	11⅞	12⅜	12½	12⅜
Over 2, up to 3	11⅝	11¾	11⅞	12⅝	12½	12⅜
Over 3, up to 4	11⅝	11¾	11⅝	12⅝	12⅝	12⅜
Over 4, up to 5	11⅝	11⅝	11⅝	12⅝	12⅝	12⅜
Over 5, up to 6	11⅝	11⅝	11⅞	12½	12½	12⅜
Over 6, up to 7	11⅝	11⅝	11⅞	12½	12½	12⅜
Over 7, up to 8	11⅝	11⅝	11¾	12½	12½	12⅜
Over 8, up to 9	11⅝	11¾	11¾	12½	12¼	12⅜
Over 9, up to 10	11¾	11¾	11¾	12¼	12⅜	12¼
Over 10, up to 15	12	11¾	11⅝	12½	12¼	11⅞
Over 15, up to 25	11¾	11¾	11¼	12	11⅞	11⅝
Over 25	11⅝	11	11	11⅝	11⅝	11½

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Kirch tempts Dollar Land minority with 170p offer

Mr **David Kirch**, the Jersey-based property developer, plans to buy out the minority shareholders in **Dollar Land Holdings** left over from his successful take-over last July.

Mr Kirch is offering 170p per share under the proposed scheme of arrangement. This is considerably more than the 116p July bid price because of the rise in the dollar over the past six months and the settlement of one of the outstanding legal actions in which Dollar Land was involved.

Dollar Land's assets, principally the Bristol building let to Rolls-Royce in Montreal, are now worth more in sterling terms.

"I have had to make a more attractive offer to tempt the remaining 1,000 or so shareholders," said Mr Kirch.

He has dropped earlier plans to seek either a USM quotation or a full Stock Exchange listing for Dollar Land by offering sufficient shares to outside interests, and will retain the company as a private concern.

Westways, a company wholly-owned by Mr Kirch, is offering £807,481 for the outstanding 474,989 shares (15.8 per cent) of Dollar Land. The deal puts a £5.1m value on Dollar Land, which was traded under Rule 163(2) on the London Stock Exchange before Mr Kirch took control.

Dollar Land was a property group with investments in North America which ran into difficulties in the late 1960's. Apart from the Montreal factory, its offer sole asset was $3.5m due from a court settlement following the sale of property in Yonkers, New York.

P&O/Sterling revise terms of warrants

THE PRICE of warrants in **Sterling Guarantee Trust** jumped 9p to 35p yesterday after **Peninsular and Oriental Steam Navigation** offered their holders the alternative of subscribing to its own warrants.

Under the merger terms between Sir Jeffrey Sterling's two companies announced last week, holders of SGT warrants were offered 20p cash. Alternatively, they will now be able to subscribe for five new P&O warrants for every 17 in SGT.

The P&O warrants are convertible into P&O deferred stock at 493p in July of each year up to and including 1990.

The revision of the terms follows a sharp appreciation in P&O's shares since they returned from suspension on January 14 while those of SGT, which it will absorb, have remained virtually static.

Efforts were made in constructing the merger package to ensure fairness in the treatment of each side.

St Andrew Trust board rejects bid

In a letter to shareholders, Mr D. A. Ross-Stewart, the chairman of **St. Andrew Trust** says that the trust's net asset value was 418p as at January 17, 1985.

The board and its advisers consider it is not in the interests of ordinary holders to accept the offer by Ecclesiastical Insurance Office and recommend them to take no action. The board will not be accepting in respect of its own holding.

Progress at Jas. Neill

MR J. H. NEILL, chairman of **James Neill Holdings**, says in a letter to shareholders that results for the second half of calendar 1984 will undoubtedly prove to be a solid improvement on the first half.

The letter follows a further increase in Neill's share price since last October, and disposal last week of its 11.77 per cent holding in the company.

This year will see the full benefit of cost savings arising from the reorganisation initiated at the end of 1983. But there is still room for further reorganisation and cost savings, and plans to achieve these are currently being considered, says Mr Neill.

Also, he says that an actuarial valuation of the company's pension funds is likely to show substantial overfunding. One option, he says, could be to reduce the company's contribution.

Indeed, the company could save £500,000 per annum if it lowered its contribution to the employees' level, says Mr Neill. The company contributed around £1.2m in 1984.

F. Copson falls at midway

F. Copson, heating and building material supplier, returned reduced pre-tax profits of £50,141 for the six months to October 31 1984, compared with £65,012 for the corresponding period.

In view of prevailing trading conditions the board feels this is reasonably satisfactory but is determined the second half will show its usual improvement, Mr F. Copson, chairman, says. He sees no reason for dividends not being maintained.

For the whole of 1983-84 pre-tax profit was £190,280 with a dividend of 1.5p.

Turnover was down from £3.37m to £3.23m. Earnings per 5p ordinary share were 0.70p (1.1p).

Tax was £24,129 compared with £24,700. Group profit after tax declined from £40,312 compared with £26,012, subject to minorities of £651 (£524). Profits retained for the period are £25,361 (£39,788).

Parkdale slips to £65,000

Disappointing results in the financial services division has hit first half profits to October 30 1984 at **Parkdale Holdings**. They have fallen from £80,714 to £64,950 pre-tax.

The division has been adversely affected by changes in legislation in the field of offshore insurance contracts, leading to the disposal of Parkdale International last July, and by the removal of life assurance relief. The disposal placed the burden of fixed assets on the remaining profit centres within the division, and resulted in a loss of £18,673, against a profit of £31,436, in the half-year.

Blundell to make agreed bid for brush maker

Blundell-Permoglaze Holdings, the publicly-listed paint manufacturer, is to make an agreed bid for **Hamilton Star** an unquoted maker of paint brushes and decorating tools, in a deal which values Hamilton at £1.92m.

Shareholders owning 36.8 per cent of the Hamilton equity have already given irrevocable undertakings to accept the offer to give Blundell control of 53 per cent of the company when its existing stake is taken into account.

Blundell is offering 106p cash for each Hamilton share of 160p nominal of 10 per cent unsecured loan notes 1990. This represents a substantial increase over the price at which recent transactions in Hamilton shares have taken place, it said.

Hamilton made a pre-tax profit of £334.00 in the year ended July 31 1984. At that date it had net assets worth £2.2m.

Blundell has held its 16.5 per cent stake in Hamilton for some time and Mr David Gordon, Hamilton's chief executive since September 1983, is on secondment from Blundell. Blundell intends to operate Hamilton as an independent subsidiary with its own executive manageent.

Blundell supplies paint to the building trade and also makes building chemicals such as abrasives, sealants, timber preservatives and surface treatment as well as building insulation materials.

Blundell made a pre-tax profit of £407,000 on sales of £17.2m in the six months ended April 1984.

Stylo urges offer rejection

THE BOARD of Stylo, the shoe retailer in which British Land is tendering for a substantial stake, yesterday urged its shareholders to reject the offer as a derisory undervaluation of its assets and prospects.

It said the maximum cash price of 185p a share which British Land would pay was only 10 per cent above the market price for Stylo ahead of the announcement. It described this as "a very low premium," and also pointed out that attributable asset value in the latest accounts stood at 285p.

"This takes no account of the premium which would attach to the value of a retail chain of 200 quality properties or of the very substantial increases in value of central shop properties over the last year," it added. The directors also expressed confidence in Stylo's long-term growth prospects.

The offer is being made directly to Stylo shareholders rather than through the stock market, and carries a British Land share alternative.

If successful, British Land would hold between 41.4 and 50.9 per cent of Stylo. But high-voting management shares in the control of Mr Arnold Ziff, the chairman, and his family mean that it would win a maximum 29.9 per cent of voting power. British Land regards this nonetheless as a strategic stake.

Hugin to expand in U.S. with purchase of Sweda

Hugin Group of the UK, the former cash register subsidiary of Electrolux, intends to buy the **Sweda International** division of **Litton Industries** of the U.S., Mr Fred O'Green, the chairman of Litton announced yesterday.

The transaction is subject to the negotiation and completion of a definitive purchase agreement, and approval by the Hugin and Litton boards.

It would involve a cash payment to Litton and the establishment of Litton as a minority shareholder in the Hgin/Sweda business. The value of the transaction was not disclosed.

Both Hugin and Sweda are worldwide suppliers of retail business point-of-sale systems. Sweda is based in Pine Brook, New Jersey.

Litton is a technology-based company providing advanced electronic and defence systems, industrial automation systems and geophysical services to the U.S. and international markets.

Last year it announced a plan to sell its business systems divisions, including Sweda, as part of a long-range corporate strategy to focus operations more sharply in its core business areas.

COMPANY NEWS IN BRIEF

Acceptances have been received in respect of 96.3 per cent of the 42,539,155 new ordinary shares offered by way of rights at 255p per share by **Pilkington Bros.**

New ordinary not taken up have been sold by the underwriters at a net premium of 44.3116p over the subscription price.

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Applications were received for a total of 16,238,300 shares in Ivory & Sime's £12m Far Eastern investment trust, **Pacific Assets Trust**. This represents an oversubscription of 35 per cent.

Applications for 100 to 1,000 shares were allotted in full, 1,100 to 1,400 receive 1,000, and 1,500 to 49,900 get 70 per cent, 50,000 and over 50,000 get 58 per cent and approximately 51.8 per cent respectively. Allotment letters will be posted on January 28 and dealings will begin the following day.

* * *

Business was traditionally quieter in the winter months at **Wistech**, and had been so again this year Mr Tony Morgan chairman, told members at the annual meeting.

Major contracts were starting he said, with a catalyst cleaning project for BP which began at Grangemouth last week. A number of major start-ups were being programmed for in the north west and in the south in the next couple of months.

Mr Morgan pointed out that contracts were typically placed for an early start and with this flexibility in mind he did not think that any indication of first half results would be useful.

The company had a high level of outstanding tenders, and Mr Morgan looked for increased turnover this year despite the effects of the coal strike and recent adverse weather.

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LCP Holdings has recovered acceptances for 94.4 per cent of the 16,318,281 new ordinary shares offered by way of rights to shareholders at 80p per share.

Shares not taken up have been sold at a net premium of 36.1141p per new ordinary over the subscription price. The net premium will be distributed.

APPOINTMENTS

Upper echelons at Lloyds Bank

Sir Robin Ibbs will become a director of LLOYDS BANK and of LLOYDS BANK UK MANAGEMENT on April 1. He is an executive director of Imperial Chemical Industries and adviser to the Prime Minister on efficiency and effectiveness in Government. **Mr John Raisman** will also become a director of Lloyds Bank and of Lloyds Bank International on the same date. He will be retiring as chairman and chief executive of Shell UK at the end of March 1985. He is a director of Vickers, Glaxo Holdings and British Telecom. At the annual meeting in May **Sir Bernard Scott, Lord Abergavenny, Lord Aldington** and **Sir Arnold Hall** will retire from the board of Lloyds Bank and **Sir Daniel Pettit** from the board of Lloyds Bank UK Management. **Mr D. S. Clarabut** will succeed Lord Abergavenny is chairman of the south east regional board and will become a director of Lloyds Bank UK Management. Mr Clarabut was formerly chief executive of the Hays Group. **Brigadier Anne Field** will succeed Sir John Hedley Greenborough as chairman of the Greater London regional board and will become a director of Lloyds Bank UK Management. Brigadier Field is deputy controller commandant of the WRAC. **Mr Eric Swainson** will succeed Sir Daniel Pettit as chairman of the Birmingham and West Midlands regional board and will become a director of Lloyds Bank UK Management. Mr Swainson is managing director of IMI.

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DURAFLEX PRODUCTS, Cheltenham, a DIY company, has appointed **Mr Colin Howes**, as sales and marketing director and **Mr Terry Brown**, formerly national sales manager, as sales director of College Housewares. tions with Spear and Jackson Mr Howes has held similar posi- and Midland International. During the past four years, he has been running his own marketing agency.

*

FULLER SMITH AND TURNER, Chiswick, has elected wines and spirits director, **Mr Michael Turner**, to the main board. It was Mr Turner's great grandfaster who joined the company's chairman, **Mr Anthony** Fuller's great-great grandfather to form the partnership of Fuller Smith and Turner in 1845. **Mr Tim Turner**, tied trade director, has also joined the main board.

*

Mr Robert J. Baldey has been appointed to the board of THOMAS BORTHWICK & SONS. He is chief executive both of Thomas Borthwick & Sons New Zealand, a wholly-owned subsidiary, and of Borthwicks—CWS, a 65 per cent owned subsidiary.

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Mr H. J. Edwards and **Mr H. Thompson** have resigned as directors of COMFORT HOTELS and **Mr C. Stein, Mr D. J. Sate, Mr J. F. Jarvis, Mr M. B. Hirst, Mr J. Wilson, Mr J. D. Murray** and **Mr C. H. Andrews** of Ladbroke were appointed additional directors of Comfort Hotels. Mr Jarvis and Mr Hirst were also appointed chairman and managing director (respectively). These directorship changes follow the announcement earlier that Ladbroke had declared its offer for Comfort Hotels unconditional in all respects. Ladbroke now owns or have received acceptances of its offer in respect of 90.4 per cent of the Comfort Hotels ordinary shares.

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Mr Michael Jukes, managing director for seven years at ITT Cannon (UK), has joined ALLIED AMPHENOL PRODUCTS as managing director.

*

Mr Eric Moore has been appointed financial director of CIVIL AND MARINE, a privately-owned shipping company involved in the dredging of marine aggregates and in the supply of cement replacement materials.

*

A major restructuring of the three companies in Associated British Catering Equipment Distributors (ABCED) has led to four key new appointments. **Mr Lewis Napleton** becomes marketing director, **Mr John Watts** projects director, **Mr Derek Budd** operations director, and **Mr Mark Whitile** as group finance director.

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British Syphon restructures

Following its acquisition of the East Lancashire Paper Group BRITISH SYPHON has begun restructuring the various East Lancs activities. Fynepapers will operate as a separate major division of British Syphon reporting directly to the British Syphon board. As a result of this reorganisation **Mr Bryan Morrall** has been appointed non-executive chairman, **Mr Graham Griffiths**, managing director, and **Mr Hugh Prest**, purchasing director of Fynepapers. **Mr C. F. Cave**, financial director and secretary of British Syphon, has been appointed secretary of Fynepapers. A financial director will be appointed as soon as possible to complete the composition of the board. **Mr Graham Griffiths**, who was previously managing director of Sandalloy, a British Syphon subsidiary, is succeeded by **Mr Richard Minns**, formerly operations director of that company.

*

Baroness Lane-Fox is to be chairman of the trustees of the THAMES HELP TRUST. The Trust will administer the funds raised by Thames Telethon 1985, which will take place in October in aid of young people's and children's charities. Other trustees include: **Earl Attlee**; **Mrs Mary Baker**, former chairman of the London Tourist Board and a non-executive director of Thames Television; **Mr Peter Brown**, chairman of the Thomas Coram Foundation and director of Associated British Industries; actor George Cole, star of "Minder;" Rabbi Hugo Gryn, senior rabbi of the West London Synagogue; **Mr Peter Plouviez**, general secretary of British Actors Equity Association; **Ms Usha Prashar**, former director of the Runnymede Trust; **Rt Rev Mark Santer**, area Bishop of Kensington; **Ms Judith Stone**, director of Hammersmith and Fulham Association of Community Organisations; **Mr John Swallow**, head of Ongar Comprehensive School and **John Whitney**, director general of the Independent Broadcasting Authority.

*

Thet recently formed GA GROUP (formerly Gilbert Ash) has appointed **Mr Harry Burt** as sales and marketing director of two of its subsidiary companies, GA Estates and GA Design.

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Mr Graham H. Rutherford, director of marketing with STONE AND WEBSTER ENGINEERING for the past four years, has been elected a director of the company.

*

Mr David Parr has been appointed general manager (designate) of ESSEX WATER CO., from February and will succeed as general manager following **Mr P. Gordon Spencer's** retirement.

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Mr Iain Arthur, managing director of Kingsland Lloyd Petersen and KLP Scotland has been appointed to the board of the parent KLP GROUP.

*

Mr Eugene Bacot has joined the board of MINTEL PUBLICATIONS as editorial director from Advertising Age's Focus where he had been editor since 1980.

*

Mr Alan McPherson, director and area general manager, BRS Midlands, has been appointed managing director designate FASHIONFLOW. He will succeed **Mr Geoff Wright** who is taking early retirement. Fashionflow is a subsidiary of the National Freight Consortium and specifically serves Marks and Spencer with an exclusive store delivery service for packaged textile goods and homewares. Mr McPherson will take over as managing director on March 2.

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Mr Ron Urquhart has been appointed group chief financial officer of JARDINE INSURANCE BROKERS. He is responsible for the financial management of all companies in the group. Before joining Jardine he was with the Hong Kong & Shanghai Banking Corp and Commercial Union.

*

Four THORNTON BAKER partners have been appointed executive partners, joining **Mr Mike Lickiss**, national managing partner, on the executive team. They are **Mr Tony Agrew**, manpower development; **Mr David Brooks**, marketing; **Mr Robert Hayton**, operations and finance; and **Mr David Spence**, client services.

*

NATIONWIDE LEISURE has made two senior management appointments as part of reorganisation of subsidiary companies. **Mr David Harrold** becomes chief executive of a new travel division which will incorporate Neilson Holidays, Villa Seekers Holidays, Neilson Travel Shops and further developments in Nationwide's travel and tour operations interest. Mr Harrold joins from the Intasun Group where he was a main board director and also managing director of Club 18:30. **Mr Alan Cambridge** becomes chief executive of Alpine Sports and Nationwide retail development. He joins after 18 years with British Home Stores where he was regional controller for eastern England.

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Mr Thomas R. Attwood has been appointed a director of STEPHEN ROSE AND PARTNERS, an investment banking group.

*

The following directors have been appointed at CREDIT SUISSE FIRST BOSTON: **Mr J. Jan Bowlus**, corporate finance; **Mr Christopher M. Hyde**, finance; **Mr Nicholas G. Johnson**, corporate finance; **Mr Charles E. Nettlefold**, syndicate; **Mr David C. Olson**, corporate finance; and **Mr John Sciaudone**, futures and cross markets.

*

A. R. GIBBON, printing ink manufacturer, South Normanton, as appointed **Mr John Hind** as financial director.

*

Mr D. R. George is to be company secretary of ASSOCIATED BRITISH PORTS, operating subsidiary and Associated British Ports Holdings, from February 1. He is commercial manager at ABP's South Wales group office. He is also secretary to the International Cold Storage Co, one of ABP's associate companies, and will retain this post.

*

Mr Brian Hasley has been named UK managing director of PERKIN-ELMER. He has been general manager of the UK operation since May 1983, and was appointed to the board of Perkin-Elmer Data Systems last October.

*

Mr Brian Nicholson, until recently joint managing director of The Observer, has been appointed executive chairman of MARLAR INTERNATIONAL. His other directorships include CompAir, Lloyds of London Press, London Broadcasting Company and The Royal Opera House.

*

COLMAN RSCG & PARTNERS has promoted to the board **Mr Ed Church**, head of typography/studio services; **Mr Roger Holdsworth**, writer/group head; **Mr Steve Hooper**, writer/group head; **Mr Dennis Lewis**, art director/group head; **Mr Peter Lightfoot**, account director; **Mr Bob Offen**, deputy media director; and **Mr Leigh Stops**, deputy planning director.

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NEW ENGLAND PROPERTIES has appointed **Mr Peter Brown** to the board of the company's development arm New England Developments.

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Nonwoven manufacturer, BONDINA, has appointed **Mr Bill Dixen** as company secretary. He will retain his responsibilities as chief accountant.

BASE LENDING RATES

A.B.N. Bank	12%	Hong Kong & Shanghai	12%
Allied Irish Bank	12%	Johnson Matthey Bkrs.	12%
Amro Bank	12%	Knowsley & Co. Ltd.	12½%
Henry Ansbacher	12%	Lloyds Bank	12%
Armco Trust Ltd.	12½%	Mallinhall Limited	10%
Associates Cap. Corp.	12%	Edward Manson & Co.	13%
Banco de Bilbao	12%	Meghraj and Sons Ltd.	12%
Bank Hapoalim	12%	Midland Bank	12%
BCCI	12%	■ Morgan Grenfell	12%
Bank of Ireland	12%	Mount Credit Corp. Ltd.	12%
Bank of Cyprus	12%	National Bk. of Kuwait	12%
Bank of India	12%	National Girobank	12%
Bank of Scotland	12%	National Westminster	12%
Banque Belge Ltd.	12%	Norwich Gen. Tst.	12%
Barclays Bank	12%	People's Tst. & Sv. Ltd.	13%
Beneficial Trust Ltd.	13%	Provincial Trust Ltd.	12½%
Brit. Bank of Mid. East	12%	R. Raphael & Sons	12%
■ Brown Shipley	12%	P. S. Refson	12%
CL Bank Nederland	12%	Roxburghe Guarantee	12½%
Canada Perm'nt Trust	12%	Royal Bank of Scotland	12%
Cayzer Ltd.	12%	Royal Trust Co. Canada	12%
Cedar Holdings	11%	■ J. Henry Schroder Wagg	12%
■ Charterhouse Japhet	12%	Standard Chartered	‖12%
Choulartons**		Trade Dev. Bank	12%
Citibank NA	12%	TCB	12%
Citibank Savings	†10½%	Trustee Savings Bank	12%
Clydesdale Bank	12%	United Bank of Kuwait	12%
C. E. Coates & Co. Ltd.	12½%	United Mizrahi Bank	12%
Comm. Bk. N. East	12%	Westpac Banking Corp.	12%
Consolidated Credits	12%	Whiteaway Laidlaw	12½%
Co-operative Bank	*12%	Williams & Glyn's	12%
The Cyprus Popular Bk.	12%	Wintrust Secs. Ltd.	12%
Dunbar & Co. Ltd.	12%	Yorkshire Bank	12%
Duncan Lawrie	12%		
E. T. Trust	12½%		
Exeter Trust Ltd.	12½%		
First Nat. Fin. Corp.	11%		
First Nat. Secs. Ltd.	11%		
■ Robert Fleming & Co.	12%		
Robert Fraser & Ptns.	12½%		
Grindlays Bank	‡12%		
■ Guinness Mahon	12%		
■ Hambros Bank	12%		
Heritable & Gen. Trust	12%		
■ Hill Samuel	§12%		
C. Hoare & Co.	†12%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.75%. 1 month 9.50%. Fixed rate 12 months £2,500 8.75%. £10,000 12 months 9.00%.
† 7-day deposits on sums of under £10,000 8¼%, £10,000 up to £50,000 9¼%, £50,000 and over 10¼%.
‡ Call deposits £1,000 and over 8¾%.
‖ 21-day deposits over £1,000 10%.
¶ Mortgage base rate.
§ Demand deposits 8½%.
** See Provincial Trust Ltd.

Comalco aluminium output shows sharp increase in 1984

BY KENNETH MARSTON, MINING EDITOR

FOURTH QUARTER output figures complete a picture of sharply increased production in 1984 for Comalco, Australia's biggest integrated aluminiu complex which is 67 per cent-owned by CRA, the 52.9 per cent-controlled Australian arm of the Rio Tinto-Zinc group.

Shipments of Comalco's bauxite ore, mined at Weipa in Queensland, rose 31 per cent last year from 6.5m tonnes to 8.5m tonnes, reflecting higher sales to the 30.3 per cent-owned Queensland Alumina refinery and to customers in Japan and the U.S.

Queensland Alumina restarted its third digestion unit in July 1983 and last year commissioned an expansion which lifted its annual alumina capacity to over 2.7m tonnes. Its other shareholders are Kaiser Aluminum (28.3 per cent), Alcan of Canada (21.4 per cent) and Pechiney (20 per cent).

Comalco's total production of primary aluminium metal last year moved up to 320,016 tonnes, from 271,021 tonnes in 1983, a major factor in the increase being the completion of the Boyne Island's smelter's second potline in June. Last year Comalco also acquired the aluminium interests of the U.S. Martin Marietta group.

Sales figures for 1984 are also reported by another RTZ group meber, the South African Palabora Mining which with its low costs ranks as one of the world's most successful copper mines.

Last year Palabora milled 29.2m tonnes of ore with an average copper grade of only 0.5 per cent. Copper sales totalled 123,459 tonnes, against 124,211 tonnes in 1983 when there was a large stock of process material on hand resulting from the plant shutdowns in 1982.

Sales of the precious metals (gold, silver and platinum group) contained in anode slimes rose to 583,737 ozs last year from 458,068 ozs in 1983, while there were sharp increases in magnetite (90,273 tonnes against 66,277 tonnes) and vermiculite (174,074 tonnes against 124,263 tonnes).

Sulphuric acid sales fell from 109,734 tonnes to 90,244 tonnes in line with Palabora's increased use of acid for its metallurgical plant processes in the fourth quarter. Urani um concentrate sales for the year, all made earlier in the period, amounted to 227,483 tonnes against 161,296 tonnes.

First-half net profits jumped 51 per cent to R28.6m, but the company said at the time that those for the second half would not be so good. Even so, the third quarterly dividend was lifted to 25 cents to make a total for the first nine months of 60 cents, against 32.5 cents in the same period of 1983 when there was a subsequent fall of 27.5 cents.

Gencor's interesting gold values at Unisel mine

THE South African Gencor group's Unisel gold mine has obtained some interesting gold values outside its lease area on the other sides of its western and southern boundaries. The values have been obtained from four underground boreholes put down from drives (horizontal tunnels).

From the No 4 cross-cut tunnel west, the Basal reef has been intersected on the farm Tarka 656. The drill result assayed 4.3 grammes gold per tonne of ore over a width (thickness of reef) of 168 centimetres, equal to 726 centimetre-grammes.

The other intersection was made on farm Jurgens Hof 490 and was in Leader reef. Three drill values were obtained: 1.8g over 477 cm, or 844 cm-g; 10.5g over 279 cm, or 2,932 cm-g; and

Carlton rights

Carlton Communications says the rights issue of 2,890,312 ordinary at 485p per share has been taken up to the extent of 2,870,660 shares (99.3 per cent).

New shares not taken up have been sold in the market at 668.5p and the net proceeds will be remitted to the persons to whom such shares were provisionally allotted.

UK COMPANY NEWS

Anglia up 61% despite big C4 levy

Anglia Television Group achieved a 61 per cent increase in full year profits despite associates losses and a *£2.23m* increase in the Channel 4 subscription.

The taxable profit rose from £2.68m to £4.3m, with the television company turning in its best ever set of results. Advertising *revenue was buoyant for* most of the year to end-October, 1984, but the directors say that the rate of increase has slowed since the autumn.

Anglia's network share of advertising has continued to improve and the directors are confident about the future "even if the rate of progress at the present time is more modest."

At the operating level, Anglia generated substantially higher profits of £17.21m, against £9.94m, from turnover of £59.55m compared with £50.02m.

Anglia's subscritpion for Channel 4 rose from £6.52m to £8.75m and the Exchequer levy increased to *£3.46m* against £1.46m.

Mainly as a result of losses at losses at the Sodastream associate, the group's share of results from associates saw a *£709,000* profit last time turned into a loss of *£707,000*.

Sodastream, which also announced its results yesterday, is calling for £3m via a rights issue, which Anglia has agreed in principle to support along with the other major shareholder, Scottish American Investment Co.

Anglia's share of Sodastream's losses amounted to *£524,000*—it holds 23 per cent of the shares.

The success and sales of Anglia's programmes both at home and abroad have continued *to give* much encouragement, state the directors. They say that Anglia will have three separate series showing concurrently on syndication in the U.S.—the series concerned are "Tales of the Unexpected," "Survival," and "Animals in Action."

Results from other major investments *(First Leisure Corporatio* in the UK, and MK TVB in Hong Kong) were "exetremely satisfactory." The directors add that the decision to participate in the formation of First Leisure "will prove to be of considerable benefit in the future."

HK TVB's performance, they point out, has always been "exceptionally good" and recent political VsVettlement has considerably enhanced the value of the investment.

The final dividend is being lifted from 4.5p to 5p, making a total of 8p (7p). Earnings per share were *stated* as 14.48p (13.63p)—Anglia has close company status.

● comment

It has been a year of extreme contrasts at Anglia. Contracting profits have soared by 155 per cent on the back of buoyant advertising revenues. Anglia's share of the total IBA advertising cake is up from 5¼ to 6 per cent. A *tale of the unexpected* came lower down the accounts, however, with a dramatic £4.1m swing into losses by the Sodastream associate. Pushing into overseas markets and launching new products is an expensive business and a painful one when sales to existing markets are falling. Sodastream's £2m losses in the six months to October are disappointing to put it mildly and it is that performance which shook 9p off Anglia's price yesterday leaving it at 155p, standing on a p/e of 10.3. It is tempting to believe Sodastream will bounce back quickly and Anglia's share of the £3m rights issue is not going to dent its cash flow very much. So perhaps, the price has over-reacted and the time is right to accumulate stock in a quality regional company. *But advertising revenue has been weak since October and a review of the Exchequer Levy is bound* to create some uncertainty though the 7.6 per cent yield *limits any downside.*

Sodastream calls for £3m after heavy loss

Sodastream Holdings, the unquoted manufacturer of a soft *drinks* carbonation system, suffered a severe setback in the half-year to October 31 1984. The interim result fell far short of board expectations with pretax losses amounting to some £2m, against £2.52m profits before. A £3m rights issue is also announced.

The poor results were due to the combination of a short-term setback in the company's existing businesses and greater than envisaged investments in overseas markets. A sacrifice of present profits in the interests of company development at home and overseas was foreshadowed in the last annual report.

The company had expected to finance the overseas development costs from internally generated funds and some additional borrowings. However, the setback in its existing business—profits down from £2.59m to £1.04m—precluded this course of action. The board therefore believes it prudent to have a rights issue in order to bring borrowings down to an acceptable level.

Scottish American Investment Co and Anglia Television group, which hold 29 per cent and 23 per cent respectively, have agreed in principle to underwrite the rights and to take up their proportion of those rights. The Sodastream board has retained Morgan Grenfell & Co, in connection with the issue, details of which will be announced shortly.

Losses arising from the development of new markets overseas, principally the U.S., soared from £28,000 to £2.3m. In addition, non-recurring costs of £328,000 (£34,000) have been incurred *as a result of the* rationalisation of product range and the re-establishment of Sodastream's position, primarily in Scandinavia.

Turnover was £1m lower at £13.97m. Existing businesses accounted for £12.45m (£14.58m) and investment markets £1.52m (£0.4m).

Net interest payable totalled £349,000 (£1,000 receivable) following the increase in facilities required to fund overseas expansion and manufacturing investment.

The company has decided to discontinue certain proposed commercial activities and this has resulted in extraordinary items which after tax, amount to £231,000. After tax credits of £309,000 (£970,000) the attributable deficit came to £1.89m (£3.49m profits). Losses per £1 share were shown as 85.7p (180.3p earnings).

In view of the current pressures on the company's cash resources due to the expenditure overseas, no interim and final dividend will be paid. The board however, expects the company to be in a position to resume payments in 1985-86.

The company has set up a number of key strategies relating to new products, organisation, manufacturing and overseas test markets. These are expected to allow Sodastream to exploit the considerable opportunity which exists both in the UK and overseas.

Mr F. G. Rollason, is to hand over the chairmanship next month to Mr Brian Cookson, who joined the board on January 1.

Epic income improves by £180,000

For the opening six months to October 31 1984 income before tax of Estates Property Investment Company, which is engaged in property investment, dealing and management, improved from £1.26m to £1.44m.

Mr L. C. Cottrell, chairman, had said at the year end that further increases could be expected to flow from completion of the company's development programme.

Net rents receivable for the half-year rose to £2.3m (£1.98m) and net property income increased by £235,000 to £2m. Interest charges rose from £792,000 to £1m of which £450,000 (£292,000) was capitalised.

The interim dividend is being held at 2.75p net per 25p ordinary share—a final of 5.5p was paid for the full year. Earnings per share are 4.83p (4.31p).

Tax was £514,000 (£439,000) leaving some £923,000 (£824,000) available for distribution.

In November the company announced that its rights issue of convertible unsecured loan stock 1994-99 was taken up with subscriptions for some £7.33m and the balance of £308,375 sold in the market at net premium over issue price.

Yearlings total £4.7m

Yearling bonds totalling £4.65m at 11⅛ per cent, redeemable on January 29 1986, have been issued by the following local authorities: King's Lynn & West Norfolk (Borough Council of) £1m; St Helens Metropolitan Borough Council £1m; Alnwick District Council £0.25m; Ogwr Borough Council £0.4m; Swansea (City of) £0.5m; Motherwell District Council £1m;ffi and Bedfordshire County Council £0.5m.

Simon Eng. in U.S. expansion

Simon Engineering has extended its U.S. oil services activities by paying $10m (£8.89m) for a 50.01 per cent stake in Geo-Ssearch Corporation, a Texas-based supplier of seismic and other geophysical survey data to the exploration industry.

The purchase will be financed by a placing of 3.71m new Simon shares, representing some 6.07 per cent of its expanded capital.

Simon also has options to acquire the remainder of Geo-Search, exercisable over three to five years at a price based on average pre-tax profits from 1985 onward. Its *taxable income* for the 1983 calendar year was given as $1.44m, with net book value by then put at $11.2m.

Mr Harry Harrison, Simon's chairman, said the move would "give Simon and Geo-Search a basis for further expansion in this ve ry key area of the world energy industry." Through its Unichem International unit, Simon is already active in U.S. oil services, primarily in the supply of chemicals and recovery of waste oil.

Geo-Search, established in 1973 and until now entirely employee-owned, has a network of data processing centres, undertakes surveys and provides specialised software. Mr Rodney Robinson, its founder and chief executive, will remain for at least two years, as will Mr James Goodgame, its president.

The share placing was made possible by Simon's action last November to replenish its reserve of non-issued shares, which by then had been exhausted. It will be carried out by Hill Samuel through Rowe and Pitman.

New products aid Stewart Plastics

Profits before tax of Stewart Plastics improved from £1.61m to £1.7m in the half year to October 31 1984 from a turnover £731,000 higher at £5.46m.

The improvement stemmed from the introduction of several new products together with expansion of the group's business with a number of major multiple retailers.

Every effort is being made to ensure progress attained will continue in the second six months.

The interim dividend is being lifted to 0.88p (0.7913p) net per 25p share from earnings of 4.2p (3.4p).

Operating profits rose by £52,000 to £1.33m to which interest receivable added £366,000 (£332,000).

The group, based at Croydon, Surrey, manufactures by injection moulding plastic articles for domestic, horticultural and industrial purposes. Pre-tax profits for the 1983-84 year totalled £2.81m (£2.56m).

Plastic Constructions set for further growth

ALONG WITH news of an improvement in trading in the year to September 30 1984 the directors of Plastic Constructions say they have entered into a conditional agreement to acquire Industriplas, a distributor of semi-finished industrial plastics, *for a maximum £1.05m.*

The acquisition will enable the group to expand significantly its interests in similar fields to those of Industriplas.

For the past year Plastic Constructions saw its profits before tax move ahead from £248,615 to £277,455. Turnover rose to £12.42m, compared with a previous £10.74m.

A final dividend of 1.8303p (1.544p) net lifts the total from 2.38p to 2.6663p per 10p share—the new shares issued for the acquisition will not rank for the final payment.

After a higher tax charge of £49,000 (£15,951) net profits emerged at £228,455 (£232,664) equal to earnings of 4.83p (4.92p).

A pro-forma combined profit and loss account to be circulated to shareholders will show that if Industriplas had been part of Plastic Constructions for the whole year to September 30 1984 and on the basis of certain assumptions, earnings per share would have been 6.42p, an increase of some 30 per cent on the figure reported.

Consideration for the acquisition will be satisfied by the issue of 900,000 ordinary shares of Plastic Constructions, representing 16 per cent of the enlarged capital, together with a maximum cash payment of £550,000.

Of the cash consideration, £500,000 will be paid on completion. The balance will be paid provided pre-tax profits of Industriplas total not less than £300,000 for the year to next September.

For 1983-84 the company made profits of £212,000 on a turnover of £3.22m. At September 30 1984 net assets of Industriplas amounted to £500,000.

Plastic Constructions' material distribution business benefited from the introduction of newly developed plastic materials predominantly used in advertising, signs and point of sale applications.

Present indications suggest that this will lead to a considerable increased volume of business. The fabrication order book shows "encouraging" improvements.

Group sales for the first quarter of the current year indicate further increases in turnover and profits.

Plastic Constructions is proposing to introduce an executive share option scheme. The group undertakes the design, fabrication, installation and supply of anti-pollution and corrosion-*resistant equipment* and systems for the engineering and chemical industries.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. *Official indications are not* available as to whether the dividends *are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.*

TODAY

Interims:—British Bloodstock Agency, Fitch Lovell, Global, Hallite, Kakuzi, *Kenyon Securities, McKay Securities,* Louis Newmark, Property Security Investment Trust, Stroud Riley Drummond.

Finals:—Allied Textile, Camford Engineering, Denmans Electrical, Derby Trust, Hill and Smith, KLP.

FUTURE DATES

Interims:—

Access Satellite International	†Jan 29
Armour Trust	Jan 28
Christie-Tyler	Feb 6
LDH	Feb 1
Nova (Jersey) Knit	Jan 31
Sutcliffe Speakman	Jan 28

Finals:—

Bank Leumi (U.K.)	*Feb 4*
Derwent Valley	Jan 31
Rayford Supreme	Jan 25
Royal Insurance	Mar 4

†Amended

Reduced profit for A. & J. Gelfer

A. & J. Gelfer, maker of men's ties and headwear, announces slightly reduced pretax profit on lower turnover for the six months to end-September 1984. The interim dividend is the same at 1.9p.

Turnover came to £2.75m (£2.8m). Profit *of* £408,000 (£409,000) was struck after depreciation £60,000 (£52,000) and included investment income £86,000 (£93,000). Profit for the *year 1983-84 was £1.1m.*

Tax was £170,000 (£191,000). Earnings per ordinary 20p share were 3.8p (3.48p).

Accountancy Appointments

FINANCIAL DIRECTOR

Age 35 – 45 **c. £40,000 per annum**

Our client is a major Insurance Broking Group with its Head Office in the City, and a sizeable number of subsidiaries and associate companies throughout the world. Over 1,800 people are employed in seventy offices, with pretax profits in excess of £7 million per annum.

Due to internal promotion, a Finance Director is to be recruited from outside the Group. To qualify for this position, you must have extensive experience gained within a "Blue Chip" organisation, preferably in the financial services sector, and certainly within an international operation. The main purpose of the job is to maintain overall control of the financial affairs of the Group, and in addition, take part in the management of the Company. You will have direct responsibility for 40 staff. A working knowledge of computerised systems is essential. In addition to your responsibilities in the UK, you will be internationally involved and will travel frequently.

The remuneration package is substantial and in line with the seniority of the post.

To apply for this exciting opportunity, please write to me, Simon Green, Consultant to the Group:-

Business Development Consultants (International) Ltd
63 Mansell Street
London E1 8AN

BDC

KEY ROLES IN INDUSTRY

with a major high tech leader

Our client is a £100m high technology world leader with an outstanding record of profitable growth. Further expansion of its activities at home and abroad has created a need for additional financial expertise and three new posts have been established.

Management Accountant **c £18,000 + CAR**

As a member of the top management team within one of the rapidly growing divisions, you will play a major role in a planned reorganisation which will lead to increased autonomy of its accounting function. Reporting to the Divisional Director, you will be responsible for financial reports, budgets, forecasts and to advise on all financial aspects of the business.

The ideal applicant must be able to make a strong contribution to future growth objectives, will have a well developed commercial awareness and is likely to be an ACMA aged 35-45.

Financial Accountant **c £17,000**

Reporting to the Financial Controller, you will be responsible for the consolidation of all financial reports, statutory accounts and corporation tax, together with a central accounting function and the computerisation of accounts.

Ideally ACA qualified, you will be an experienced financial accountant able to give strong leadership to a central accounting function.

Overseas Accountant **c £16,000**

A remarkable opportunity for a young ambitious chartered accountant preferably with knowledge of internal audit, to gain international commercial experience.

Reporting to the Financial Controller, you will undertake short trips to monitor, audit and investigate the accounts in the company's overseas offices throughout Europe and the USA. You will also assist them to computerise their monthly reporting. There will in addition be some involvement with UK units.

The ability to speak business French and preferably some German would be advantageous. Suitable applicants must be able to show initiative, self motivation and the potential for career development.

These posts offer excellent careers within a major British company. Benefits, including relocation to the South Hertfordshire area, are those normally associated with a progressive organisation, and reflect our client's high regard for individual ability.

For a confidential discussion call MAUREEN HOBBS on 0494 25128 or write to her in the strictest confidence quoting reference number 1130/FT

D A **David Anthony** (Management Selection) **Ltd**
23 Easton Street, High Wycombe, Bucks HP11 1NU.

Group Financial Director

Food, Agriculture and Financial Services – South Midlands
£30,000 to £35,000 + car

Our client is a rapidly growing and highly successful private Group with a turnover in excess of £40m. Based in an attractive part of the South Midlands, the company is vertically integrated and has a variety of business interests covering food processing, a Finance House, farming, and house building.

Due to the continuing expansion, a dynamic financial executive is now required to fill a newly created position at Group level. Reporting to the entrepreneurial Chairman, the person appointed will be required to review and up-grade existing systems and procedures, computerising where appropriate, improve financial disciplines and advise the Chairman and subsidiary Company Directors on a variety of ad hoc projects.

Aged 35 to 47, candidates should be Chartered Accountants with at least five years experience in financial management, preferably at Director level, in manufacturing industry. They must be skilled in the preparation and interpretation of financial and management accounts together with detailed experience of costing, cash and credit control, systems development and the use of computers.

Some experience of working at Group level or in a Finance House would be useful, but above all candidates must be highly commerically oriented and capable of working with small teams in a fast moving environment.

The starting salary depends on age and experience and the package includes a company car, pension scheme, medical insurance and, if necessary, assistance with relocation costs.

Please write or telephone for an application form or send detailed cv to **D.J. Dewhirst**, as adviser to the company, at the address below, *quoting ref: AA55/9101/FT on both letter and envelope.* No details are divulged to clients without prior permission.

PA

PA Personnel Services

6 Highfield Road, Edgbaston, Birmingham B15 3DJ
Tel: 021-454 5791 Telex: 337239

Financial Accountant

West of London **c£18,000**

Our client is a major international public company, a market leader within its specialist sector, having significant manufacturing operations throughout the UK and overseas.

Reporting to the Manager – Financial Planning, the job is broadly based; responsibilities will include providing assistance for the development of the group's accounting systems and procedures, capital investment project evaluations and a variety of other ad hoc financial investigations. The Financial Accountant will also be involved in the review of plans, annual accounts and monthly reports.

Candidates are likely to have qualified with a large firm of chartered accountants, having 2/3 years post qualification experience and probably be under the age of 28. Strong technical skills, a high level of initiative and professionalism are essential.

Prospects for career development towards a senior management position within the company are excellent.

Candidates should write to Philip Cartwright ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref: 200, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

UK Financial Accountant

Microdata c.£20,000 + car + benefits

Our client is part of the recently formed international systems division of Macdonald Douglas, the multi-billion dollar American corporation, world leaders in the development and application of aerospace technology. The U.K. company, Microdata, markets a powerful distributed data base management system and has achieved dramatic sales growth in recent years.

The company now requires a Financial Accountant to be responsible to the U.K. Financial Controller for the preparation of all accounting records according to U.S. and U.K. accounting standards; administration of the treasury function, including the control of leasing agreements; foreign exchange, wages and salary administration and supplies accounting.

Candidates, aged 30-38 years, must be qualified accountants with strong financial accounting experience gained in a U.S. multinational company in the computer or electronics industry. They must also be able to demonstrate a detailed knowledge of the financial control aspects of capital equipment, leasing and ideally have some experience of management accounting and foreign exchange.

This is a key position within a rapidly developing successful and dynamic organisation and therefore the ability to achieve above average results is necessary. Success in this position will lead to significant opportunity for career progression.

Please write in confidence, with full career details, quoting reference 1560, to Peter Makin who is advising on this appointment.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

ACA/ICMA

c. £14,500 + car

Publishing company seek qualified accountant to manage their Budget/Treasury Dept. Duties include budgeting, credit and revenue control and staff supervision. The position is based in Slough.

Send C.V. to Mrs Sylvia Horner

ABACUS RECRUITMENT
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(01-236 0642)

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Our programme for development of new financial systems has created positions at various levels to support their design and implementation. These include a unique opportunity for an **ACCOUNTANT WITH PRACTICAL TRAINING EXPERIENCE**, to develop and implement a comprehensive training programme for all store administration personnel.

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We offer excellent opportunities for advancement, competitive salaries and benefits, *and generous assistance with relocation costs where appropriate.*

Interested?—then send us your detailed cv. which should include your current salary or if you would like further information then please telephone:

Mrs. Lynn Clarke, Personnel Officer, F.W. Woolworth plc., Royle Barn Road, Castleton, Rochdale, Lancs OL11 3DU. Tel: Rochdale 47301, Ext. 2105

Futures by **WOOLWORTH**

Financial Controller

c. £18,000 + Car + Benefits **Barking Essex**

Our client, Queen's Award Winner, Seabourne Express Ltd., a leading operator of European scheduled overland freight services, is in the process of embarking on a major programme of business expansion and is seeking a commercially orientated accountant to strengthen its financial management team. The principal duties of the position comprise:

- Supervision of the work of the accounting department
- Preparation and analysis of management accounts
- Preparation of budgets, financial projections and statutory accounts
- Ad hoc financial studies
- Assistance with the development of financial management *information systems*
- Liaison with European Headquarters accounting.

This is a new position reporting to the Chief Accountant and it is envisaged that the appointee will have the potential to assume this role within two years.

Candidates for the position, ideally in the age range 32-40, will possess a professional accounting qualification and have worked for at least three years in a management accounting role in a commercial environment, preferably, but not necessarily, in the freight industry. The position demands knowledge of computerised information systems and some experience of overseas operations.

Applications, giving *full personal and career* particulars, should be sent in writing quoting reference S-286/13 to Dr Geoffrey M Seeff FCA at: Stoy Hayward Associates, Management Consultants, Executive Recruitment Division, 8 Baker Street, London W1M 1DA.

SH **Stoy Hayward Associates**
MANAGEMENT CONSULTANTS
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Financial Accountant

Salary up to £16,000

Cambridge Interactive Systems (Products) Limited is a subsidiary of a large US corporation with an international reputation for its leadership and expertise in the development of innovative computing systems for the engineering industries.

We are looking for a Financial Accountant to join our small finance and administrative team.

Responsibilities will include financial accounting, management reporting and general financial control. This is a new post and in addition the role entails the setting up of a number of new computer-based systems for stock control and accounting procedures.

Applications are invited from young, qualified accountants with a minimum of two years relevant experience in a commercial environment.

Salary is commensurate with experience and a wide range of company benefits will be offered to the successful candidate.

Please write, enclosing your curriculum vitae and details of all relevant experience to:

Rosemary Oakland
Cambridge Interactive
Systems (Products) Limited
The Grange
20 Market Street
Swavesey
Cambridge
CB4 5QG

CIS

Financial Director Designate

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10 Cannon Street, London EC4P 4BY

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GDC

We are assisting a Top 50 public company, a broadly-based consumer and industrial service group, with Executive Offices in West London.

The client seeks two recently qualified accountants with strong technical expertise and good interpersonal skills.

The positions on offer are:

GROUP AUDITOR

The Group Audit Department has only recently been formed to establish a small but highly professional team capable of carrying out non-routine high-level investigations and operational review, commenting upon the reliability of management and financial information, the effectiveness of controls and adherence to Group policies and procedures. Limited overseas travel will be involved, the majority of assignments being in the South of England.

Salary will be around **£13,000 negotiable**, and a **fully expensed car** will be provided.

GROUP ACCOUNTANT

The Head Office Finance Department operates as a tightly-knit unit with direct access to top management and is involved in reporting and analysing Management and Statutory information to the Board and shareholders.

As well as the usual large group management and financial accounting responsibilities, the successful candidate will undertake Board-sponsored investigations for new business acquisitions and the development of a new computerised accounting information system. Remuneration will be negotiable but a salary of around **£14,000** is indicated.

Both positions will give successful candidates a broad view of the Group's activities and exposure to senior management, and it is envisaged that they will progress to more senior roles within the company in due course. The Group's benefit package includes 23 days holiday, pension scheme, restaurant and sports/social facilities.

Interested candidates should telephone Don Leslie on 01-623 3195/day 01-832 6229/evenings or write to him at: Gabriel Duffy House, 17 St Swithin's Lane, Cannon Street, London EC4N 8AL.

هكذا صدر الأصل

Accountancy Appointments

Internal Auditor

c. £12,500 + car with an international perspective

This international auditing role presents exceptional opportunity for a young graduate, recently qualified ACA, to forge a fast-moving career with a major, blue-chip multi-national.

The National Can Corporation is one of the world's foremost manufacturers of packaging products. The headquarters of our European operations are in Surrey, where we need a successor to our International Auditor who has been promoted to the States.

Responsibilities *involve operational and financial* audits relating to European subsidiaries, and thus extensive overseas travel is a necessity.

You should *therefore be independent and self-*assured, with confident interpersonal skills and preferably manufacturing auditing experience.

In return, the Company offers scope to develop expertise while appraising business operations, *together with opportunities* for career progression within auditing or the wider finance function.

You will receive a range of executive benefits including company car, private medical insurance and where appropriate, relocation assistance.

Please send your c.v. in confidence to:
Ian Botterill, International Personnel Director,
Nacanco Service Corporation, 6A Rusham Park,
Whitehall Lane, Egham, Surrey TW20 9NW.

Nacanco Service Corporation

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY
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Finance Director

£35,000 plus

Recent fast growth has established Fisons Scientific Equipment Division among world market leaders in the supply of products for scientific and clinical laboratories.

Profitable world-wide sales in excess of £300m are generated by manufacturing and trading subsidiaries in the USA, Europe, Australasia and other territories, with central planning and control from the Division's HQ in Uxbridge, Middlesex.

The Finance Director will report to the Divisional *Chairman, as part of the small HQ management,* responsible for the financial control and systems of global operations. He or she will also play a *vital role in the Division's continued growth* including acquisitions.

The successful candidate will be a graduate and a qualified accountant of high ability and proven *accounting management experience, probably* aged 35-45. Experience will certainly have been gained in a large manufacturing enterprise with significant technology and international business. It will ideally include both operational and corporate staff work. Familiarity with American business practice is essential, and European experience including at least one *language* highly desirable.

A basic salary of up to £35,000 is envisaged with a car, bonus incentives and membership of the Fisons' Pension Scheme.

Please send a full *cv* to Cedric Scroggs, Divisional Chairman at the address below.

FISONS Scientific Equipment

Fisons plc
Scientific Equipment Division
Riverside Way, Uxbridge
Middlesex UB8 2YF

International Auditor

Europe + N. America
£14,000 – £16,000 + Excellent Prospects

Our client is fast growing and successful, part of a multi-national organisation, and has a world-wide reputation in its own specialist engineering field.

This appointment, which carries outstanding career prospects, will bring you into frequent contact with senior decision makers on both sides of the Atlantic, and provides a real opportunity to influence both the Group's future and your own. Based near Gatwick, this is a "hands-on" control and liaison role between the UK headquarters and the operating subsidiaries abroad and is part consulting and part auditing. Extensive travel will be involved, mainly in Europe.

You should be ACA or ACCA, aged 24 or over, with qualities which generate cordial working relationships. You must have at least 4 years' experience covering auditing and computerised accounting. Major company benefits include relocation.

Please write with full details. These will be *forwarded direct to our client.* List *separately any companies to whom your application should not be sent.* B. C. Oliver ref. B.1877.

This appointment is open to men and women.

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Reporting to the Group Chief Accountant, the new Director will be a qualified accountant aged 35+ with considerable management experience within the world of international financial services.

Interested candidates should in the first instance write with full career and salary details to: Mrs. P. Taylor, Personnel Director, Leslie & Godwin Ltd., Dunster House, Mark Lane, London EC3P 3AD.

Leslie & Godwin Ltd.

Financial Controller

North West **c £20,000 + Car**

Our client is a substantial contract engineering subsidiary of a major U.K. group with an international reputation for the quality and reliability of its products.

They seek a Financial Controller, who will be responsible to the Managing Director for the management of the company's finance and D.P. functions, (75 staff), through what will undoubtedly be a critical phase in the development of the business. Specific emphasis will be placed on stringent contract cost control, cash management and financial planning, together with the rapid development of sophisticated computer based systems and significant input into the commercial management of the business.

The successful applicant will be a mature qualified accountant with several years managerial experience gained in a contract orientated environment. He/she will be expected to demonstrate the leadership qualities, personal skills and commercial awareness necessary to make an impact within a major company at senior level.

Relocation facilities are available where appropriate. Applicants should write to **Peter Hornby B.Sc. A.C.M.A.,** quoting **reference 7002,** at Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ. **(Telephone 061-228-0396).**

MP
Michael Page Partnership
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Young Qualified Accountant for major business group -high technology growth industry

Central London Up to £15,000

The Central Finance function of British Telecom Enterprises, an entrepreneurial group of ten forward looking businesses within British Telecom, urgently needs a first class young accountant.

He/she will work principally on the consolidation of budgeted, forecast and actual financial and statistical information for both management and statutory purposes, but will also be expected to assist in their critical review and interpretation and in the development of new reporting procedures and microcomputer consolidation routines.

We need an ACA or ACCA, ideally aged 25-35, with a London accounting firm and/or corporate head office background. He or she should have had extensive experience of commercial group accounting and consolidations. Self motivation with the confidence to cope with pressure and tight deadlines, and the ability to develop good, effective relationships with business colleagues and with auditors are all essential. Microcomputer experience would be an advantage.

Starting salary (inclusive of London Allowance) will be up to £15,000, depending on age, qualifications and experience.

Please write, enclosing CV to Stephen Godber, Personnel Department, Ref FT, British Telecom Enterprises, Room 2126, 23 Howland Street, LONDON W1P 6HQ.

British TELECOM

Systems Accountant

Kent/Sussex borders *Package to £20,000*

Due to substantial growth in recent years our client, one of the leading provident organisations in the field of private medical insurance, now has a key position for a qualified accountant at their group headquarters.

Reporting to the Chief Accountant you will assume responsibility for the maintenance of all financial systems within the group, rapidly implementing improvements in purchase, nominal ledger and payroll. You will have considerable experience in the planning, development and implementation of computerised accounting systems and have a real interest in continuing your career within this area.

Probably aged 28-36, you will possess a strong, resilient personality with tact, a sense of humour and the ability to work under pressure in order to contribute effectively to this new management position.

In addition to a competitive remuneration package, generous relocation expenses are available.

For further information please contact Richard Green quoting ref: 2849.

db dunlop & badenoch
Recruitment Consultants

60 Mark Lane, London EC3R 7NE.
Tel: 01-265 0377

Career Development through Internal Audit

SALARY UP TO £18K PLUS CAR

TI is an international engineering group producing domestic appliances, cycles, steel tube and high technology engineering products. Famous brand names include Creda, Raleigh, Russell Hobbs and Crypton. With Headquarters in Birmingham, the Group has over 80 subsidiaries.

As a result of promotions to senior financial positions in operating companies, we are seeking high calibre accountants to make a positive contribution to the effectiveness of the Internal Audit function of the Group.

You will be responsible for reviews of the financial and management control systems covering all aspects of the Group's activities, where extensive use is made of computers. Your role will be to audit all systems and procedures for their effectiveness in relation to the particular businesses and provide reports and recommendations to management. This will involve you in travelling throughout the UK and occasionally overseas.

To succeed you will need to be qualified, in your early 30's, and have several years' experience at senior management level. You will be well-practised in assessing and developing financial procedures and controls, and have sound analytical and problem-solving skills together with an ability to communicate clearly and succinctly.

Salary will be negotiable, and excellent terms and conditions will include medical cover and relocation assistance where appropriate. Career development prospects for professionals with a high level of commitment are first class.

Applications, giving full details, should be sent to Mr. T. G. Hicks, Personnel Manager, TI Central Organisation, TI House, Five Ways, Birmingham B16 8SQ.

TI Group plc

Chartered Accountants London

The Tioxide Group, a leading international producer of titanium pigments with a turnover in excess of £300M, has opportunities in its West End Offices for two young, ambitious Chartered Accountants to fill the following roles:

Financial Accountant covering the preparation of monthly financial accounts, budgets and profit forecasts, statutory accounts and taxation. Some experience of computerised systems is preferred.

Management Accountant to handle the preparation of monthly management accounts, financial modelling and systems design, project evaluations and ad hoc reports for the Finance Director. An aptitude for computer systems design is desirable.

Suitably qualified candidates in their mid 20's with relevant post-qualification experience can expect starting salaries of up to £16,000 per annum, inclusive of London Allowance. Career prospects are excellent.

Please write with brief career and personal details, or telephone for an application form to:

Staff Personnel Manager, Tioxide UK Limited, 10 Stratton Street, London W1A 4XP. Tel: 01-499-6070

Tioxide®
white pigments for industry

Accountancy Appointments

Insolvency Managers

Bristol

As a result of continuing expansion, the Bristol office of Arthur Young is seeking to appoint two Insolvency Managers experienced in bankruptcies, and liquidations or receiverships.

Ideally A.C.A., A.C.C.A. or I.P.A. qualified and with proven ability to contribute to a developing business, successful candidates will be expected to contribute to a growing practice in a management role.

In return, we offer a highly competitive salary, company car, other large firm benefits and relocation assistance where appropriate.

Write with c.v. or telephone for an informal discussion: **Miss A. Baird, Director of Personnel, Arthur Young, Froomsgate House, Rupert Street, Bristol BS1 2QH. Telephone: 0272 290808.**

Arthur Young
Your next good idea

Coventry Lanchester Polytechnic

The Finance Officer

£11703 – £14709 + pay award at arbitration

THE POLYTECHNIC a major academic institution of high repute; a City centre site; 6000+ students, 1400 staff; academic work embracing engineering, science, art and design, business, social science and public policy; £22 million turnover, nearly £3m of which is in research and external contracts, capital budget for equipment £1.6m.

THE POST the Director's "right hand man" in financial planning, *resource analysis and the preparation and* management of revenue and capital budgets: evaluation of governments financial strategy for Polytechnics.

THE OPPORTUNITY to continue to develop the quality of financial management for involvement at a senior level in decision making and appraisal in a finance led environment; to gain the experience for significant promotion in 4-5 years time.

THE PERSON a qualified accountant; young and ambitious; able to manage staff, negotiate skillfully, *possessing analytical flair and communication* skills; who can command the respect and trust of the most senior academics, local authority officers and the Board of Governors.

PARTICULARS from Joyce Holman, Personnel Officer, at the Polytechnic, Priory Street, Coventry CV1 5FB. (0203-24166-ext. 392). Closing date Monday 11th February, 1985.

THIS POST IS OPEN TO MEN & WOMEN

Financial Controller

West End **c £18,500 + Car**

Our client is a young, aggressive but carefully controlled property development group with an excellent pedigree and with interests across the *South of England. Its growth plan now calls* for the appointment of a Financial Controller, who will report to the Managing Director and take complete responsibility for all financial and Secretarial activities in the organisation.

Aged late 20s upwards, the successful candidate will be well qualified and will preferably have experience in the property development area. Transactions are not numerous but are large and complex, and experience of feasibility study and projection work would be particulary *relevant.* Fundamental to the support of growth will be the further development of sensitive, computerised, management information and control systems.

This is essentially a shirt sleeve operation, and for the candidate with the mature judgement, creativity and application we seek, offers a rare opportunity for growth. Other aspects of an attractive benefits package will be negotiated.

Letters of applications, together with CV, salary progression and any other relevant data, should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, Stoy Hayward Associates, 8 Baker Street, London W1M 1DA, quoting reference M684.

Stoy Hayward Associates
MANAGEMENT CONSULTANTS ON BEHALF OF: BRIDE HALL
A member of Horwath & Horwath International

Corporate Manager

Central London **£19,000**

Our client is part of a major international group specialising in information technology. A vacancy has arisen for a high-calibre qualified accountant to play a key role at corporate level.

Working in a small team, the successful candidate will have responsibility in the following main areas:–

★ Maintaining control over the financial reporting of the international sub-groups on legal and management bases.

★ Reviewing and analysing intercompany debt and making recommendations for settlement.

It is envisaged that two months each year will be taken up with field visits throughout the world in order to ensure effective accounting liaison.

Probably in your late 20's you are currently either with a 'Big 8' firm or working in industry in a comparable environment. Previous exposure to international taxation is likely. A persuasive manner, strong interpersonal skills and an aptitude for foreign languages, particularly French, will be distinctly advantageous.

Applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive c.v., quoting ref: 202, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

The No 1 number for TEMPORARY ACCOUNTANTS 248 7856
ACCOUNTANCY CONTRACTS

An Exceptional Opportunity For An Ambitious Chartered Accountant With Excellent Career Progression

FINANCIAL SERVICES MANAGER

C£20,000 + car A.C.A.'s 28–32 Central London

Our client is a very large, British owned, multi-national conglomerate (turnover in excess of £3 billion) seeking to recruit a Financial Services Manager to report directly to the European Financial Controller.

The role will comprise quarterly and annual financial consolidation work, a variety of 'ad hoc' investigations linked to possible acquisition or divestment and regular review of the Group's tax position particularly the tax *impact of acquisitions.*

Candidates, male of female, should be first class accountants rather than auditors with some years' post qualification experience spent in a sizeable diverse manufacturing environment. A good awareness of U.K. corporate tax is very necessary in this position as is the ability to motivate and manage subordinates, mix easily and credibly with members of the Group Board and have an outgoing and enthusiastic personality.

Career prospects exist to controllership or equivalent status short/medium term.

For a detailed information handout on the appointment please contact George Ormrod B.A. (Oxon) or Bob Collier on 01 836-9501, or write with your C.V. to Douglas Llambias Associates at our London address quoting reference no. 4975.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Accountants

Career development faster than you thought possible

Micro Business Systems plc. is one of the UK's largest computer rental, distribution and service companies and *has recently established its first* European operation. Since the company's inception just 7 years ago it has been enjoying phenomenal expansion through organic growth and substantial acquisitions.

As a result we can offer exceptional prospects to suitably qualified accountants.

Management Accountant

Eton, Berks

A Management Accountant is needed to *assist the Finance* Director of MBS Rentals, the largest subsidiary of the group. The position involves the review of existing systems and *information flow and the design and* implementation of new systems. You will also provide and interpret management information. 1-2 years post qualifying experience in a high technology orientated environment is essential. A car will be provided for this position.

Group Accountant

City of London

We need a newly qualified Accountant to join our young dynamic group head office team which is responsible for corporate reporting, financial planning and treasury. Initially, most of your time will be spent on ad hoc project work, which will include operational review, assistance with acquisitions and involvement with subsidiary company operations.

Both appointments demand a flexible attitude to work and a sense of team spirit. Your energy, self motivation and ambition will be met by the challenge and opportunity of working for a fast growing dynamic young company.

Remuneration is very competitive and will amply reflect the importance of these roles.

Please apply in writing, with full c.v. to: Mr. M. Jessop, Finance Director, Micro Business Systems plc., St. Mary Abchurch House, 123 Cannon Street, London EC4N 5AX.

MBS

LUCAS FURNITURE SYSTEMS LIMITED
FINANCIAL DIRECTOR (DESIGNATE)

LONDON

SALARY CIRCA £20,000 PLUS CAR

The Directors of our client, a well established and expanding Group, wish to appoint an experienced Chartered Accountant *to the position of Financial Controller, initially. This is a* challenging position from which an invitation to join the Board will only be gained through hard work in conjunction with a dynamic and commercial contribution to the future success of the Group.

Applications are invited from candidates in the preferred age range of 28–36 whose mature, analytical and professional approach has been gained through previous experience in industrial or commercial organisations.

The successful candidate will be expected to assume immediate responsibility for the supervision of the Group's total financial and company secretarial functions. In addition to the basic salary the appointment will attract appropriate fringe benefits as befit the position.

Applicants who consider themselves well above average and who wish to be considered should apply in writing, submitting a comprehensive C.V. *including details of current* remuneration and benefits, quoting reference DZ/MSD to:

Mr. A. P. M. Bennett,
Peat, Marwick, Mitchell & Co.,
45, Church Street,
BIRMINGHAM, B3 2DL

PEAT MARWICK

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ema

Project Accountant

c. £17,000 + Car

Recently acquired by a substantial group, our East London based client has a turnover of £20 million. Marketing and distributing products internationally, the Company is a dominant force in its sector.

With an emphasis on the development of systems and control procedures, the Accountant will carry out a range of projects covering *all areas of the Company's operations. Working closely* with the Company's management, he or she will be expected to take an increasingly more responsible role in the financial function.

In their mid to late 20s, applicants should be qualified accountants with industrial/commercial experience. Please write, enclosing *a career/salary history and day-time* telephone number to David Hogg FCA, quoting reference I/2272.

**EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD.
Telephone: 01-242 7773 (24 hour).**

HAY-MSL
Member the Hay Group

Selection Consultancy

Financial Sector **LONDON**

The Hay Group is the world's largest human resource consultancy company. Our leadership in Executive Selection and Recruitment Advertising is now linked with the marketing expertise and creative excellence of Saatchi and Saatchi.

Significant UK market growth in 1984 coupled with ambitious plans to expand our presence in the specialist financial sector during 1985 has created this important new role. The key task is to build our management recruitment and selection business in this market. In addition to handling your own portfolio of selection assignments, you will be accountable for business development; planning; forecasting; staff recruitment and training.

Candidates must have a proven record of achievement in financial recruitment consultancy with particular emphasis on the senior end of the market. An accountancy qualification is essential and we are looking for an ambitious, highly motivated individual who has the ability to expand and develop this key market sector. Preferred age 28 to 40.

High base salary plus profit related bonus will be negotiable to attract candidates with a proven record of success. Other benefits include company car; contributory pension; and family BUPA membership.

Consideration will also be given to small consultancy units who would like to explore the possibilities of joining forces with a world leader.

Please write, in complete confidence, with full career details to: Brian G. Woodrow, Managing Director, ref. B.94,- HAY-MSL Selection & Advertising Ltd., 52 Grosvenor Gardens, London SW1W 0AW.

This appointment is open to men and women.

Part Qualified Accountant

To join small, busy, accounting team.

The successful applicant will be expected to use his/her initiative, become familiar with every aspect of the department and work to strict monthly schedules. Practical experience of computerised accounts and the ability to contribute to the continued development of in-house systems is essential.

Good career prospects, attractive salary, free life assurance and membership of our contributory pension scheme await an industrious, flexible person.

Apply in writing with full C.V. to: Sue Wright, Personnel Manager, at the address below.

digital exploration ltd
Digital Exploration Ltd., Digicon House, Portland Road, East Grinstead, RG19 4HG.

FINANCIAL ACCOUNTANT

Based in Welwyn Garden City

Fine Fare is one of Britain's largest food retailers, with over 450 stores and a sales turnover in excess of £1,000 million. There has been a steady increase in our market share and profits, and we are now the largest grocer in Scotland.

We are currently looking for an enthusiastic Financial Accountant to join us at our Head Office based in *Welwyn Garden City. Reporting to the* Deputy Financial Controller you will be in control of a department of six staff responsible for *maintenance* of the Company's financial records including the preparation of balance sheets and statistics. Mainframe computers are extensively used and micro computer development is entailed so an appreciation of computer based accountancy systems is preferable.

Previous experience in the preparation of accounting instructions and reports for senior management is essential.

We need a qualified *Accountant* – ideally aged 27-35, preferably with a Chartered qualification and experience gained in a commercial environment. The ability to communicate well at all levels is important.

The salary for this position is *c.£15,000* and large company benefits include assistance with re-location should it be appropriate.

Please apply in writing, giving full details of your career and qualifications to *F. M. Spencer, Senior Personnel and* Training Officer, Fine Fare Ltd, Gate House, Fretherne Road, Welwyn Garden City, Herts AL8 6NR. Tel: Welwyn Garden 28140.

FINE FARE
Helping you to better opportunities

هكذا اضـ الأصل

Accountancy Appointments

Director of Finance (Partner Designate)

City **Salary to £45,000 + car**

Our client is a professional partnership with a substantial national practice. A solid client base and an established City presence has placed them amongst the leaders of their profession.

The development of their internal management structure, stemming from recent and future planned growth, requires the key appointment of a Director of Finance. The successful candidate will take responsibility for all aspects of the financial management of the firm throughout its regional office network and in addition will have line responsibility for the accounts and computer departments of the London office.

The person appointed is likely to be a chartered accountant, aged between 35 and 50, who has a demonstrable record of achievement in a multi location business, preferably within a service industry. Key personal qualities include maturity, creativity and commitment and the ability to integrate successfully into a professional firm's environment.

The exceptional remuneration package offered reflects the importance of the appointment and promotion to partnership status will only be limited by personal performance and contribution.

Candidates should write to Don Day, FCA, Executive Division, enclosing a comprehensive c.v., quoting ref 204, at *Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.*

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

COST ACCOUNTANT

S.E. LONDON

Engineering Company in Greenwich

WITH EXPANDING EXPORT MARKETS

requires a qualified COST ACCOUNTANT with the ability to develop and improve existing costing system. Likely qualifications are A.C.M.A., aged 28-38, with several years' experience in manufacturing environment. Good salary will be based on experience to date.

Write Box A8869
Financial Times
10 Cannon Street
London EC4P 4BY

Financial director

North of England, c £30,000 + car

C&L

With a reputation for technical excellence and product reliability, this company is a market leader in its sector of the international capital goods market. A US subsidiary with the majority of its £60 million turnover exported, it is concentrating on expansion opportunities in Europe.

Working closely with the Managing Director your role will be far reaching with the emphasis on business/profit/strategic planning, financial appraisal, performance monitoring and the maintenance of sound financial controls. Key tasks will be to strengthen financial discipline at every level and reshape management information systems to the changing business needs.

A qualified accountant with strong commercial orientation, you should combine a high energy level with a record of achievement in manufacturing or engineering industry, including strong management accounting and controllership of a substantial company.

Please write enclosing a curriculum vitae and daytime telephone number to *Stephen Blaney, Executive Selection Division*, Ref. B221.

Coopers &Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

5 Albion Place
Leeds LS1 6JT

Financial Accountant
UK Subsidiary of Major International Group

West London **£16,000 Package**

The Company, which is the UK marketing, distribution and servicing arm of a well-known manufacturer of automotive and power products, has a solid growth record since its establishment some twenty years ago. Turnover is currently in excess of £140M.

Reporting to the Chief Accountant, your responsibilities will include the supervision, assessment and management of financial accounting staff to ensure the accurate and timely preparation of a variety of financial and management reports and information.

Aged 25/35, you must be qualified and have commercial experience, a flexible attitude towards meeting tight deadlines and the willingness to contribute to the development and continued maintenance of systems and the improvement of reporting procedures. Ref: FT 8958.

Lloyd Chapman Associates

International Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-408 1670

STRATEGIC PLANNING MANAGER

Neg. from £20,000 + car

The Company is Blue Chip and British.

Its products are market leaders in consumer durables.

The job is to assist the Board in the strategic direction of the business in particular in changing its product/market position. Also to manage some specific projects which cross functional boundaries such as the introduction of new products.

Candidates should be qualified accountants or M.B.A.s with at least four years industrial/commercial experience. A background of mechanical engineering or consumer marketing would be attractive.

The appointment should lead to a senior line management role as the next career step.

Salary is for negotiation above £20,000 p.a. A car is included in the package.

The post is based in North London.

Applications in confidence please to D. M. Lewis as advisor to the Group.

Lewis Briggs International

Suite 8, Harcourt House, 19a Cavendish Square, London W1M 9AD

Financial Controller

Top job with an expanding food processor
to £25,000 + car : North West

This thriving company, a £multi-million subsidiary of a large international group, manufactures and sells its extensive high volume, high value food product range to major retailers and caterers nationwide. The record of growth is impressive and will be sustained through further investment and even better management control.

Reporting to the Managing Director accountability will be for all financial and management accounting in the UK. With a compact team in support a key objective will be the progressive enhancement of the computerised financial and *factory accounting systems. Naturally involvement in the management of the* business will be total.

Probably in their late 30's early 40's candidates will be professionally qualified senior financial managers from food, drink, pharmaceutical or other relevant high speed manufacturing industry where exacting management information and control systems are essential for commercial success.

Remuneration for discussion to £25,000. Car and usual big company benefits include costs of relocation to a pleasant part of the North West.

Please write – in confidence – with full career details to John Hodgson ref. B.18312.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
Sovereign House, 12-18 Queen Street, Manchester M2 5HS.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

MONTPELIER INTERNATIONAL PLC

The Company is engaged in the building and management of leisure property developments in Portugal, Spain and France and has a well-established travel agency.

Due to its rapid expansion, the Company requires a management accountant to provide projections, budgets and monthly accounts. The work is interesting and involves some foreign travel.

Salary is by negotiation according to experience and qualification.

Please reply in writing to:
The Chairman
17 Montpelier Street, London SW7

Chief Accountant

Surrey **c. £17,500 + car + benefits**

A major service organisation with a highly visible nationwide network of operation, having reached a particularly interesting stage in its development has identified the need for a suitable qualified accountant (age early 30's).

The initial brief is to optimise financial control and the underlying systems of recording accounting and management data within a developing computerised environment. Thus, detailed knowledge of statutory requirements gained in a high profile organisation is called for. Additionally, experience should cover computer systems and you must be able to demonstrate successful man-management skills plus the personality to deal with both internal and external contacts at the highest level.

The position offers substantial challenge now and planned expansion will ensure continued interest in the longer term. Benefits are attractive and appropriate relocation expenses will be met.

Contact Patrick Donnelly on 01-222 5169 quoting ref. FT/56

tfi **The Finance Index**
Financial Recruitment Consultants
11 Palmer Street, London SW1A 0AB Tel: 01-222 5169

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, February 28, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." The advertising rate will be £37.00 per single column centimetre. Special positions are available by arrangement at premium rates of £44.00 per scc. Newly Qualified Accountants, especially Chartered, are never easy to recruit — don't miss this opportunity!

We will also be including in this feature a

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the guide will be charged at £55.00 which will include company name, address and telephone number.

For further details please telephone:

IRENE NOEL on 01-248 5205
ROBERT WINTER on 01-236 9763
or
MIKE HILLS on 01-248 4864

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Financial Controller

Birmingham ***c £18,000 + Car***

Our client, a wholly owned subsidiary of a major US Corporation and a market leader in the highly competitive electrical/electronic protection and security systems market, is seeking an ambitious accountant to head up their UK finance function.

Responsibility will be to the European Controller and UK Managing Directors for the provision of a comprehensive financial management service to meet company, group and statutory reporting requirements, with an accounts/DP staff of over 20. Particular emphasis will be placed on improving internal controls, management information systems development, cash management and in working closely with branch managers on a wide range of commercial activities. The job will involve a significant amount of travel throughout the UK.

The successful applicant will be a well qualified, commercially-minded accountant who has managed a sizeable finance department. Experience of utilising computerised systems is essential as is familiarity with both US and UK accounting practices. Experience of working in a multi-branch organised company and in supporting commercial managers would be advantageous. The preferred age range is 28-40.

An attractive salary of around £18,000 will be offered and fringe benefits will include an annual bonus scheme (up to 15% of salary), 2 litre company car, medical and pension cover. There are very good prospects for further advancement.

Candidates, male or female, should write, quoting reference MCS/8515 and enclosing full career details to Jerry Wright, Executive Selection Division, Price Waterhouse Associates, Livery House, 169 Edmund *Street, PO Box 120, Birmingham B3 2JB.* Telephone (021) 236 5011.

Price Waterhouse
Business Needs Experts.

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Accountant

Leisure Industry
West London, salary to £17,500 + car

This new company, part of a major UK group, has over 1,000 units and a turnover exceeding £200 millions. Reporting and systems are sophisticated and the need now, is for a further young professional who will be specifically responsible for the department that co-ordinates and controls financial accounting. Candidates, preferably aged under 30 years, should have degree *level education, professional* qualifications and a minimum of two years' industrial/commercial experience. They will be able to cope with detail and thrive under pressure and so prove their potential for further career progression.

I.L. Duff, Ref: 18075/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852, *Sutherland House, 5/6 Argyll Street,* LONDON, W1V 1AD.

Regional Financial Controller

West London **c£23,000 + car + bonus**

Our client is the UK subsidiary of an international organisation, specialising in commercial transportation. Operating from 40 offices worldwide, the company is experiencing an exceptional record of growth with turnover of approximately $120 million.

A creative accountant (aged 30-35) is required to be responsible for a major sector of the company's regional reporting structure. Reporting to the General Manager, this entrepreneurial role will encompass pricing, staffing levels and financial control, *necessitating 20% travel.*

The successful candidate will be qualified (probably a graduate) with an international service industry background. An outgoing personality, all round technical ability and a strong marketing bias are essential personal qualities; a working knowledge of a major European language would be an advantage.

The negotiable remuneration package includes an attractive bonus and will not be a limiting factor for the right candidate. Applicants should write to Andrew Sales FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 203, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Accountancy Appointments

Deputy Finance Director

North West **c£18,000 + car**

Our client is a highly successful engineering subsidiary of a major multi-national group, whose name and products are widely respected throughout the world.

The company requires a qualified accountant who will undertake the responsibilities normally associated with a position of this seniority in a progressive organisation. The successful applicant must clearly have the potential to take on higher level appointments within the company or group (not necessarily within the finance function) after appropriate development and experience.

The company operates modern computer-based financial systems, incorporating sophisticated financial planning and management information techniques. Current commitments are to a major D.P. development programme based on M.R.P. and the implementation of fully integrated manufacturing cost control procedures.

Candidates, aged 30-35, should be qualified accountants, of proven professional ability, who must be able to demonstrate the personal presence, managerial ability, communicative and motivational skills required to make an immediate impact at all levels within a major organisation.

Relocation facilities are available where appropriate. Interested applicants should write to **Alan Dickinson** quoting **ref. 7000** at Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ. **(Tel: 061 228 0396).**

MP

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

AIRLINE ACCOUNTANT

International Airline

seeks a qualified Accountant to head up its *UK accounting operation*

Five years' previous airline experience at a senior level is desirable combined with a sound knowledge of computerised accounting procedures. Salary will be commensurate with experience and benefits include BUPA membership and the usual airline concessions.

Applications with full CV to: Box AS868, Financial Times 10, Cannon Street, London EC4P 4BY

Trade Finance and A Forfait

Citicorp International Bank Limited is significantly expanding its trade finance services. This development has created immediate opportunities for a senior and a junior marketing officer to join the London Trade Finance Team dealing with A Forfait Finance and other trade-related services.

As a member of a highly professional team based in London you will be involved *in all aspects of A Forfait marketing* in co-operation with other marketing officers throughout Citibank's international branch and Capital Markets Group network which operates in 95 countries.

For the senior position, you should ideally be in your late twenties/early thirties, and have considerable experience in the A Forfait market but applicants with a proven marketing background in the trade finance area will be considered.

For the junior position, you should be in your mid-twenties and you should have *specific technical experience of A Forfait* Finance as you will also be responsible for processing much of the related documentation.

For both positions an attractive compensation package will fully reflect your experience and qualifications. You will also have significant scope to broaden your merchant banking experience and assume additional responsibilities in our Trade Finance Division.

Please write with full personal details to Hanneke C. Frese, Personnel Officer, Citicorp International Bank Limited, 335 Strand, London WC2 1LS.

CITICORP

BUDGE

Chief Accountant

Nottinghamshire to £17,000 + Car + Bens.

A.F. Budge is a successful construction Group with international interests and a current turnover approaching £100 million. Unrivalled expansion of the business necessitates the appointment of a new Chief Accountant with the strength of character and ability to manage through a period of considerable development.

The new Chief Accountant will be totally responsible for the financial management of the U.K. operation and as such will be a key member of the management team.

The successful candidate will be a qualified accountant, aged 30-40, who can demonstrate a positive and flexible approach to financial management allied with the ability to motivate a highly professional department. Experience of sophisticated computer systems would be highly advantageous.

The benefits include comprehensive relocation facilities where appropriate.

Applicants should write to **Peter Hornby, B.Sc. A.C.M.A.** (quoting **ref. L8412**) at Michael Page Partnership, 13/14 Park Place, Leeds, LS1 2SJ, or telephone **(0532) 450212.**

MP

Michael Page Partnership
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TEXACO

Corporate Auditors

Knightsbridge

Texaco is one of the world's leading international oil companies. In line with steady expansion and commitment *to the future, a new department is being established* at our UK head office. As a result we are seeking two accountants to join our young, rapidly developing corporate audit team. The positions are based at Knightsbridge but will involve some UK travel.

Reporting to the department manager, and working in close association with other management, your responsibilities *will include the preparation of preliminary surveys* and audit programmes, the review and analysis of internal operating functions and systems, the evaluation of audit test results and the progressing of audit exceptions.

Aged 25-30 you must hold a recognised accounting qualification, and have 1-3 years sound audit experience preferably gained in a large firm working on major clients *or within internal audit. Good communications skills* are essential.

Write enclosing full cv in the first instance to:
Mike Swain, quoting ref: FT/1
Royds Personnel Services Limited
Royds House, Mandeville Place
London W1M 6AE

FINANCIAL CONTROLLER/ DIRECTOR DESIGNATE – RETAIL

Harrow, Middx. **£15K to £20K plus car, share options etc.**

A Plc, fully funded, with blue chip backing for a retail venture of major significance, seeks an energetic financial controller with flair, to play a key rôle in the rapid development of this new, growth business.

Candidates must be qualified accountants and have demonstrable experience of P.O.S./E.D.P. systems in a demanding retail environment, as well as the sound commercial judgement required to gain the confidence of financial institutions and a highly-motivated entrepreneurial management team.

The post offers an outstanding opportunity for achievement of a level of responsibility not readily attainable in a larger organisation. Please send detailed C.V. *under cover of a hand-written letter to:* **Martin B. Silverman, Morison Stoneham & Co., Chartered Accountants, 805, Salisbury House, 31 Finsbury Circus, London EC2M 5SQ. Telephone: 01-628 2040 Telex: 888729 MSCO-G.**

Morison Stoneham
Chartered Accountants

Chief Accountant

Berkshire **c£17,000 + car**

Our client, an industrial manufacturing company, is the established UK subsidiary of a substantial American corporation.

It is embarking on a new area of production and requires a chief accountant to take total responsibility for all aspects of accounting and financial reporting for this new division. The person appointed will be required to establish basic costings for the new operation and to integrate the whole accounting function with the existing business. It is anticipated that this person will ultimately assume full financial responsibility for the whole company.

Applicants must have at least three years experience of costing and management accounting in a manufacturing environment and must be able to take a *leading role in the imminent* computerisation of the accounting function.

Please submit full career details to Douglas G Mizon quoting reference F/535/M.

E&W Ernst & Whinney Management Consultants,
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Finance Director

North Midlands ***Not less than £20,000 + car***

W. Hermanns and Son Ltd., a major poultry processor supplying its products throughout the United Kingdom, wishes to appoint an experienced Accountant who will take responsibility for the finance and accounting function.

The successful candidate will ensure the provision of an efficient and effective management information system. Major priorities will include the development and implementation of comprehensive, computerised management accounting reports and the maximisation of the company's commercial potential.

*Candidates should be qualified accountants with significant experience at a senior man-*agerial level. In addition to well developed accounting skills, candidates should have direct experience of computer based financial and management accounting systems. The personal qualities sought will include the capacity to make a positive contribution as a member of the senior management team, effective communication skills and strong leadership skills.

There is no restriction on salary to the right candidate and our client offers a challenging and stimulating role within a progressive organisation. If necessary, assistance with *removal expenses will be given. Please write, enclosing a* career/salary history to C. A. Downes, Executive Selection Division, Price Waterhouse Associates, Victoria House, 76 Milton Street, Nottingham NG1 3QY quoting reference MCS/1967.

Price Waterhouse
Business Needs Experts.

BADENOCH & CLARK

FINANCIAL CONTROLLER

c. £16,000 + Car + Bonus
CITY

Our client, one of the leading PR and Financial Advertising companies, wishes to recruit a candidate who must be a graduate ACA, aged late 20s/early 30s. Experience of, or a keen interest in, the advertising industry would be advantageous. Man-management experience and some systems implementation exposure are essential. Contact Robert Morgan, BSc.

REGIONAL AUDITOR

c. £15,000 + Attractive Benefits

Our client is a market leading US Bank with a requirement for an additional audit team member. Ideally, applicants should be young, single Chartered Accountants with a minimum of one year's PQE — gained either in a specialist financial audit team within an international firm or in the banking sector.

The position offers an excellent opportunity to become familiar with the bank's operations and represents an excellent springboard for career progression. Contact Robert Digby, BA.

Financial Recruitment Specialists
16–18 New Bridge St, London EC4V 6AU
Telephone 01-583 0073

Group Financial Control

SUSSEX COAST **c £15,000 + bonus**

Our Client, a highly successful £50 million turnover Group, operates in the specialist area of sales and distribution of building products and services. A number of additional businesses provide essential support to both Group Companies and third parties.

The Group Financial Manager, who is also a *main* Board Director, wishes to appoint an Accountant who will play a leading role in the development of accounting policy and practice. The Group philosophy is to encourage flair and creativity in business managers rather than restrict it with rigid control systems. Particular areas of involvement will include budgeting and forecasting, cash management and the preparation and interpretation of Group accounts.

Applicants aged 40-50, must be qualified accountants with wide experience of financial mangement. The ability to gain the confidence of Directors and make a significant contribution to policy in a progressive multi site/multi business environment is essential.

REWARDS: Salary is for discussion c £15,000. Benefits include a substantial performance related bonus, pension scheme, BUPA and assistance with relocation where necessary.

Applicants of either sex apply in confidence. **Ref: 981**

Hales & Hindmarsh Associates Ltd.
Century House, Jewry Street,
Winchester, Hampshire
☎ (0962) 62253
Search and Selection

Divisional Accountant

Romford c £20,000 per annum

We are one of the leading UK Financial Services Companies and our major *activities are Unit Trusts, Life Assurance, Pensions and Banking.*

A first class opportunity has arisen within our Finance Department for a Divisional Accountant. Reporting to the Group Finance Manager, you will be *responsible for monitoring and reporting* on the profitability of all areas of the Group including control and reporting on management expenses, costing, cashiers and sales reporting. You will also control the development of automated accounting systems. You will manage a department of about 30 staff.

You should be a qualified accountant, aged ideally 28–40, with at least five years experience in line accounting management. This is a senior position and you will need the personality to communicate at all levels within the Group.

We offer a *salary in the region of £20,000 per annum plus* a car, generous non-contributory pension scheme, free life assurance and BUPA and other normal company benefits.

Please apply to Alex Holmes, *Head of Personnel, Save & Prosper Group Ltd.*, Hexagon House, 28, Western Road, Romford. Tel: Romford (0708) 66966.

SAVE & PROSPER

Financial Controller
Zambia

Anglo American Corporation (Central Africa) Limited, a member of the Anglo American Corporation Group of Companies, provides managerial, financial and secretarial services to the Group's operating companies in Zambia.

The Financial Controller reports to the Managing Director and is responsible for advising on and co-ordinating group financial and accounting policies as well as having day-to-day responsibility for the finances of the company.

Candidates should be Chartered Accountants with at least five years post qualifying experience.

A remuneration package which will be set in relation to appropriate experience and qualifications will facilitate both an adequate lifestyle in the Zambian city and substantial overseas savings over a 2 year contract period. Other benefits include free furnished accommodation, car and *medical treatment*, generous leave and overseas passage entitlement, education bursaries and travel allowances.

Applicants should write with a detailed curriculum vitae to:–
The Managing Director, P.O. Box 31986, *Lusaka, Zambia.*

Recently Qualified

Highly Visible Career Stepping Stone

London **c£14-16,500 + Mortgage etc**

This is an excellent opportunity to make the transition from the Profession to Commerce. You will join a small team *undertaking constructive reviews* and appraisals of the Group's activities – a wide ranging brief which will provide a real insight into the many facets of the Group's diverse business.

Our client, a major commercial group, can offer a variety of stimulating career opportunities.

This is therefore seen as a development position enabling you to gain commercial experience, demonstrate your skills and, working with management at all levels, make an essential contribution to financial control.

A very competitive remuneration package will be negotiated.

Contact David Tod BSc FCA on 01-405 3499 quoting ref: D/50/DF

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

FINANCIAL ADMINISTRATOR

An International Group of Consulting Engineers invites applications for the position of Financial Administrator working in their West End offices. Applicants should be qualified accountants, aged over 35 years, with several years' experience of computerised accounting systems. The successful applicant will assume control of the fully computerised integrated management and accounting functions within the Group and will make a positive contribution at management level through initiative. Confidence and good communication skills are required for this demanding post.

Preference will be given to candidates with relevant commercial experience and in particular " hands on " computer experience.

Please send your application and C.V. to:
Mr. H. R. Brown, SIMON LEWIS WAYNE & PARTNERS
Charter House, Queen's Avenue, London N21 3JE

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FINANCIAL TIMES

Thursday January 24 1985

EIB bond finds favour in France, Page 48

WALL STREET

Continued search for support

LITTLE support could be found yesterday to extend Monday's dramatic rise on Wall Street and the market settled for another session of consolidation, *writes Terry Byland in New York.*

Turnover remained high, although below Tuesday's near-peak levels, and both blue chips and the broader range of second-line issues held firm. A rise of only 0.2 per cent in the December Retail Price Index strengthened confidence that inflation has been checked. Bonds were firm but sluggish.

In the stock market, prices soon firmed after a mixed opening, and the breadth of the support was indicated by fresh gains in the New York Stock Exchange composite and the American Stock Exchange indices.

By 2pm, the Dow Jones industrial average was up 2.09 at 1,261.59.

IBM led the way, although at $129⅞ the gain had been trimmed to $¼ in brisk trading. Investors in IBM brushed aside the strengthening of Apple Computer's line of office computing machinery. At $29⅞. Apple shed $¼ after yesterday's announcement of new products. Airline shares extended their recent gains and low interest rates continued to help utility issues.

Industrial stocks were helped by expectations of further cuts in world oil prices, despite denials from Opec. Motor stocks featured Chrysler, $⅝ better at $34⅛, Ford $⅛ up at $49⅜ and General Motors $¼ higher at $83⅛.

The reporting season for the U.S. chemical industry, which has had its fair share of problems this winter, opened with the results from Monsanto. The stock dipped $¼ to $43⅛. Union Carbide, still heartened by the disclosure that the Bass brothers of Texas have taken a stake since the stock price slumped because of the Bhopal tragedy, added $⅛ to $38⅝.

United Technologies eased $⅛ to $23⅝ and Minnesota Mining by a similar amount to $83⅝, both after trading figures. An increased loss from Hughes Tool, reflecting the slump in domestic oil exploration, left the stock $⅜ higher at $13¾.

Union Pacific, the rail company, eased $⅛ to $45⅛ on results. But Transworld Corporation edged up $⅛ to $32⅛ on profits from continuing operations.

Among pharmaceuticals, Baxter Travenol dipped $⅛ to 13½ after poor results confirmed the effects of the write-off previously disclosed. Bristol-Myers added $⅛ to $52 after results.

But trading news had no effect on General Foods at $54⅞ or on Control Data at $35⅛.

Takeover speculators, who have been in the back seat during the market upsurge, poured out again to buy Phillips Petroleum, which jumped $⅜ to $46⅜ on trunover of well above im Shares. Two large blocks, totalling 800,000 shares, were traded on the Pacific Exchange late on Tuesday, with Mr Carl Icahn, the market entrepreneur, reputed to be the buyer.

The New York Stock Exchange allowed trading to start in the preferred stock of Federal Home Loan Mortgage Corporation, or Freddie Mac, despite the acknowledged objection of the office of management and budget to the plan to distribute preferred stock in the quasi-federal body.

Among retail issues, which will announce year-end results later this month, Federated Department Stores added $1½ to $56⅛ and J. C. Penney recovered $⅜ of its recent weakness to stand at $48⅞.

But supermarket retailers looked dull, A&P sliping $⅜ to $16⅜ and American Stores by the same amount to $48⅛.

Support for banks, the best market sector for the past six months, pushed Chase Manhattan up $⅛ to $52⅞. At $44, J. P. Morgan added $¾.

LONDON

Equities slip on oil fears

A REVIVAL of oil price fears brought an abrupt change of direction in London equities yesterday and dealers were grateful after six days of sharply rising prices for an excuse to bring back reality to the market.

Their defensive tactics of lowering values at the opening shook out some nervous holders and also triggered off profit-taking, although few institutional investors were enticed to sell.

The FT Ordinary index measured the overall setback with a fall of 20.8 to 1,003.7.

Conventional gilts were unsettled by the renewed exchange rate uncertainty that followed the oil price scare and prices closed ½ lower in places. Popularity of index-linked stocks, however, showed little sign of abating and selected issues rose a point.

Chief price changes, Page 40; Details, Page 41; Share information service, Pages 42–43

HONG KONG

DISAPPOINTMENT over the HK$2.9bn price paid by Hutchison Whampoa to Hongkong Land for its 33.8 per cent stake in Hongkong Electric Holdings undermined Hong Kong stock prices yesterday, and the Hang Seng index shed 15.78 to 1,357.84.

There was concern that the HK$6.40 purchase price was around 10 per cent below the current market value of the stock.

All three shares were suspended on Tuesday, ahead of the announcement which came after the market closed, but they all traded higher in unofficial dealings.

Yesterday, Hutchison closed at HK$19.70, compared with Tuesday's unofficial HK$20.40 and Monday's HK$19. HK Land at HK$4.50 compared with Tuesday's HK$5 and Monday's HK$4.35, while HK Electric ended at HK$7.45, compared with Tuesday's suspension price of HK$7.55 and Monday's closing HK$7.35.

SINGAPORE

CONCERN at the current restrictive level of local bank credit left many investors again on the sidelines in Singapore, and the Straits Times industrial index dipped 5.22 to 765.46.

Promet was the most actively-traded stock, accounting for more than 10 per cent of the day's volume, and it fell 13 cents to S$1.56.

Property issues were mixed. Singapore Land managed an 8 cent advance to S$2.73, despite the indefinite postponement of its Gateway project.

SOUTH AFRICA

THE WEAKER world bullion price and the rand's stronger performance left gold shares sharply lower in Johannesburg.

Vaal Reefs shed R4.25 to R183.75, Unisel fell R1 to R15.50 and Simmers eased 30 cents to R4.35. The lower trend was also seen among mining financials where Anglo American dipped 50 cents to R24.25.

AUSTRALIA

INSTITUTIONAL buying and a round of bargain-hunting enabled Sydney to pick up early declines, and the All Ordinaries index added 2 to close at 758.5.

MIM Holdings fell 5 cents to A$2.55 in the wake of Tuesday's results, while CSR was unchanged at A$2.72 following its one-for-three share issue which will help to pay for restructuring of its oil and gas subsidiary.

Media issues were again heavily traded, with Herald and Weekly Times putting on a further 15 cents to A$4.20 on continued market speculation about a takeover bid.

CANADA

SOLID gains by transport and financial issues underpinned a firmer trend in Toronto, despite a sharp fall in the gold mining sector.

Daon was actively traded and it was quoted unchanged at C$2.97. Bell Canada, which is offering to acquire the company for C$3 a share, added C$⅛ to C$35⅜.

Montreal shares traded little changed.

TOKYO

Concern as blue chips retreat

LINGERING concern in Tokyo over the retreat of blue-chip light electricals early this week left investors reluctant to take new positions and share prices edged lower, *writes Shigeo Nishiwaki of Jiji Press.*

Trading remained lethargic, with buying centring on biotechnology-related and other incentive-backed issues, which were priced at lower levels. Blue chips eased on a broad front.

The Nikkei-Dow market average shed 9.11 to 11,859.01, on a volume of 312m shares, down from the previous day's 391m shares. Declines outnumbered advances 447 to 300, with 161 issues unchanged.

Investors increasingly lost confidence after 8mm videocassette recorder-related stocks performed badly early in the week, despite expectations of major securities companies that the issues would lead the market in February.

Other setbacks included the record high level of the buying balance on margin trading, and concerns about the resurgence of Japan–U.S. trade friction and high equity prices.

On the other hand, there are massive amounts of potential investment funds available at present – speculative funds went to incentive-supported issues.

Speculators sought biotechnology-related issues, which accounted for seven of the 10 most active stocks. Kuraray, the busiest of the day, climbed Y54 to Y906 on revived interest, with 16.32m shares changing hands. The issue topped the Y900 level for the first time in about two months.

The second busiest was Nippon Beet Sugar, which gained Y10 to Y323 on turnover of 9.29m shares. Next was Mitsui Sugar with 8.89m shares, up Y6 at Y287, and fourth was Nihon Sugar with 7.56m shares, up Y24 to Y368.

Kyokuyo put on Y7 to Y319, Nippon Oil and Fats Y16 to Y788 and Yamanouchi Pharmaceutical Y40 to Y2,740. Mochida Pharmaceutical scored the maximum allowable daily rise of Y500 to Y13,100.

Elsewhere, some low and middle-priced issues were bought on the strength of incentives. Toyo Kohan improved Y16 to Y314 on speculative buying and Osaka Transformer gained Y27 to Y520.

Blue chips remained out of favour, with the exception of Hitachi, which moved up Y7 to Y885. Sony slumped Y60 to Y3,920 on light sales and Pioneer fell Y120 to Y3,000.

Encouraged by news of a lower-than-expected U.S. inflation rate last year, city and trust banks showed more buying interest. However, they remained cautious as the barometer 7.3 per cent government bond, due in December 1993, tends to come under selling pressure if the yield dips below 6.5 per cent. The yield declined to 6.495 per cent from Tuesday's 6.510 per cent.

EUROPE

Allure of profits takes toll

PROFIT-TAKERS roamed across European bourses yesterday after the record-setting spree of recent sessions. Some centres proved vulnerable to this technical development while others still managed to move to new peaks.

Amsterdam hit its eleventh record high this year as the ANP-CBS General index gained 0.7 to 196.0. After a weak opening, shares rallied with internationals again finding some selective support. Philips moved Fl 1.20 higher to Fl 60, although Royal Dutch eased 50 cents to Fl 182.70.

Food retailer Ahold performed well with a Fl 3 rise to Fl 214.50 and biotechnology group Gist-Brocades moved Fl 2 higher to Fl 183.50.

Insurers were active again with Nat-Ned Fl 1 up at Fl 293.5, while Aegon settled unchanged at Fl 164 after surrendering some of its early gains.

The late surge in turnover boosted the bourse's volume to a record daily high of Fl 1.46bn.

Despite the strong performance by select leading stocks, the underlying sentiment was easier as investors sought to realise some of the hefty paper profits made since the beginning of the year.

Bonds opened firm amid bullish sentiment after the successful 7½ per cent, 10-year state bond but prices fell back leaving most issues unchanged or slightly better than overnight levels.

The records set in **Frankfurt** over the five previous sessions were largely forgotten as a combination of technical position-squaring and profit-taking erased many of the price rises. A diversion of funds away from equities into the bond market, where a Bayer unit is offering a DM 600m share warrant issue, also contributed to the setback. The Commerzbank index slumped 20.6 to 1,150.5, its largest one-day drop in almost a year.

Blue chips were caught in the fray, with Porsche driving the quality car sector down as it lost DM 19 to DM 1,064. Banks were mauled as Deutsche shed DM 5.10 to DM 400.00 and BASF in chemicals fell DM 4.30 to DM 179.50.

The prime interest was in shares that resisted the plunge. Lufthansa staged a DM 3 rally to DM 191, while builder Holzmann gained DM 3 to DM 399. Elsewhere, Degussa firmed DM 1 to DM 347 and Siemens surged DM 3.50 higher early in the session but finished the day DM 6.50 down at DM 495.00.

Public authority bonds closed as much as 60 basis points lower in a market saturated with new paper. The Bundesbank bought a very large DM 163.5m of paper after Tuesday's DM 46.7m of purchases.

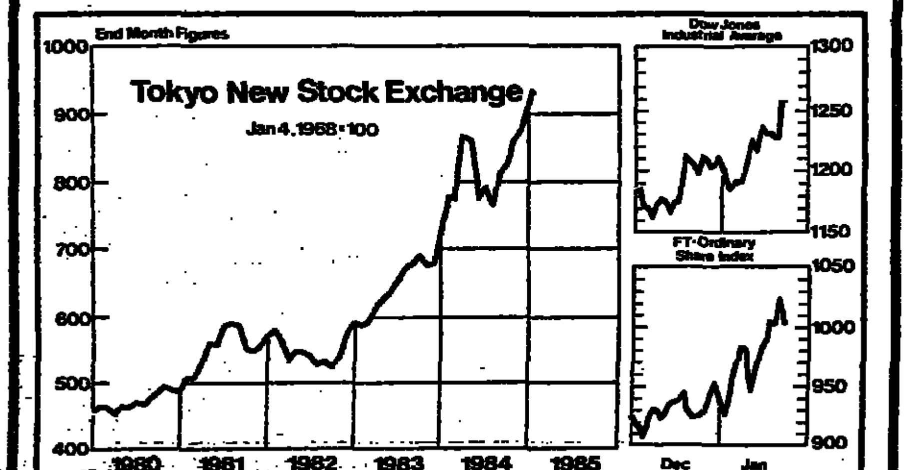
Light selling developed in **Zurich** leaving most sectors mixed. Medium and large-sized banks gained as Bank Leu rose SwFr 20 to SwFr 3,800 and Union Bank firmed SwFr 5 to SwFr 3,695. In other financials, Zurich Insurance rose SwFr 50 to SwFr 19,700.

Bonds were mixed despite the firmer overnight trend on U.S. credit markets.

Paris shares regained momentum with active trading on the last day of the monthly account. Thomson-CSF hit a high for the year of FFr 465 – a rise of FFr 16 – after recent acquisition plans, while Radiotechnique dropped FFr 6 to FFr 225. Carrefour managed one of the best gains of the day with a FFr 19 surge to FFr 1,819.

Elsewhere trading was diverse. **Madrid** advanced, **Brussels** closed steady while **Milan** turned mixed with Fiat L11 down amid results. **Stockholm** was broadly weaker as Volvo reported a surge in profit. The car maker dropped SKr 6 to SKr 254.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Jan 23	Previous	Year ago
NEW YORK			
DJ Industrials	1,266.12*	1,259.50	1,244.45
DJ Transport	600.09*	594.11	587.70
DJ Utilities	148.18*	147.83	130.83
S&P Composite	176.16*	175.48	164.87
LONDON			
FT Ord	1,003.7	1,024.5	840.5
FT-SE 100	1,283.7	1,305.7	1,046.8
FT-A All-share	618.89	627.28	504.18
FT-A 500	679.87	690.38	539.32
FT Gold mines	454.3	463.0	528.1
FT-A Long gilt	10.75	10.71	10.17
TOKYO			
Nikkei-Dow	11,859.01	11,868.12	10,071.0
Tokyo SE	929.21	931.67	763.17
AUSTRALIA			
All Ord.	758.5	756.5	777.6
Metals & Mins.	442.9	441.4	533.5
AUSTRIA			
Credit Aktien	58.40	58.22	55.63
BELGIUM			
Belgian SE	2,121.28	2,118.29	–
CANADA			
Toronto			
Metals & Minls	2,094.4*	2,093.0	2,406.0
Composite	2,497.2*	2,491.8	2,540.2
Montreal			
Portfolio	125.81*	125.81	124.26
DENMARK			
Copenhagen SE	166.19	165.46	225.1
FRANCE			
CAC Gen	193.2	191.9	168.0
Ind. Tendance	105.4	104.7	90.2
WEST GERMANY			
FAZ-Aktien	395.82	402.66	363.66
Commerzbank	1,150.5	1,171.1	1,074.3
HONG KONG			
Hang Seng	1,357.84	1,373.62	1,055.81
ITALY			
Banca Comm.	255.84	256.67	219.68
NETHERLANDS			
ANP-CBS Gen	196.0	195.3	170.9
ANP-CBS Ind	157.7	157.1	143.2
NORWAY			
Oslo SE	322.43	319.95	243.44
SINGAPORE			
Straits Times	765.46	770.68	1,040.61
SOUTH AFRICA			
Golds	n/a	1,025.7	810.9
Industrials	n/a	906.1	967.6
SPAIN			
Madrid SE	109.32	109.14	77.49
SWEDEN			
J & P	1,418.75	1,428.63	1,531.93
SWITZERLAND			
Swiss Bank Ind	407.0	407.1	380.9
WORLD	Jan 22	Prev	Year ago
Capital Int'l	194.1	193.6	186.5

GOLD (per ounce)

	Jan 23	Prev
London	$301.00	$305.75
Zürich	$300.50	$306.50
Paris (fixing)	$302.69	$306.22
Luxembourg	$303.15	$306.50
New York (Feb)	$301.70	$303.80

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Jan 23	Previous	Jan 23	Previous
$	–	–	1.1105	1.1245
DM	3.1795	3.1695	3.535	3.5625
Yen	254.35	253.95	282.75	285.5
FFr	9.7225	9.695	10.80	10.9025
SwFr	2.6815	2.67	2.98	3.0
Guilder	3.589	3.581	3.99	4.025
Lira	1,951.5	1,945.5	2,170.0	2,191.0
BFr	63.65	63.45	70.65	71.3
C$	1.32595	1.32375	1.475	1.488

INTEREST RATES

	Jan 23	Prev
Euro-currencies (3-month offered rate)		
£	12 9/16	12
SwFr	5½	5⅝
DM	5 13/16	5¾
FFr	10⅞	10⅞
FT London Interbank fixing (offered rate)		
3-month U.S.$	8⅝	8½
6-month U.S.$	8 11/16	8⅞
U.S. Fed Funds	8 5/16*	8⅜
U.S. 3-month CDs	7.9*	8.05
U.S. 3-month T-bills	7.63*	7.68

U.S BONDS

	Jan 23*		Prev	
Treasury	Price	Yield	Price	Yield
9⅞ 1986	100 5/32	9.76	100 4/32	9.79
11⅝ 1992	102 20/32	11.07	102 13/32	11.12
11⅝ 1994	102 14/32	11.20	102 5/32	11.25
11¾ 2014	103 13/32	11.33	103 9/32	11.37
Corporate	Jan 23*		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	96¾	11.20	96¾	11.20
3⅞ July 1990	75	10.00	75	10.00
8¾ May 2000	77⅞	12.00	77⅞	12.00
Xerox				
10⅞ March 1993	95¾	11.45	95⅝	11.45
Diamond Shamrock				
10¾ May 1993	95⅝	11.50	95⅝	11.50
Federated Dept Stores				
10⅞ May 2013	87	12.70	87	12.70
Abbot Lab				
11.80 Feb 2013	98⅜	11.95	98¾	11.95
Alcoa				
12¼ Dec 2012	98⅜	12.40	98¾	12.40

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Mar	72–12	72–23	72–11	72–07
U.S. Treasury Bills (IMM) $1m points of 100%				
Mar	92.12	92.17	92.11	92.12
Certificates of Deposit (IMM) $1m points of 100%				
Mar	91.57	91.63	91.56	91.56
LONDON				
Three-month Eurodollar $1m points of 100%				
Mar	91.27	91.31	91.26	91.20
20-year Notional Gilt £50,000 32nds of 100%				
Mar	104–05	105–02	104–04	104–31

COMMODITIES

(London)	Jan 23	Prev
Silver (spot fixing)	540.85p	554.80p
Copper (cash)	£1,231.75	£1,246.50
Coffee (Mar)	£2,415.50	£2,392.50
Oil (spot Arabian Light)	$27.825	$27.825

Prices at 3pm, January 23

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16⅛	AAR	48	2.5	15	21	19⅝	19⅛	19⅝	+ ⅛
30¼	9⅞	AGS			13	177	17	16⅞	16¾	- ¼
21	12⅞	AMCA	1	7.5		10	13⅝	13¼	13⅜	+ ⅛
17⅞	13⅛	AMF	50	3.1	89	327	16⅛	15⅝	16	+ ⅛
38¼	24⅛	AMR			8	4962	36⅛	35⅞	36⅛	+ ⅞
20⅝	16⅛	AMR	pf2.18	11.		19	19⅝	19⅝	19⅝	
39	27½	AMR	pf2.12e	5.8		321	36½	35⅞	36½	+ ⅞
23	19	ANR	pf2.12	11		2	20	20	20	+ ⅛
69⅞	44¼	ASA	3	6.2		672	49⅝	48⅛	48⅞	-1⅛
26⅝	16	AVX	32	1.7	11	2040	19⅝	18⅝	18⅝	+ ⅛
48¾	36¼	AbtLab	1.20	2.7	13	1849	44⅞	44⅜	44⅝	+ ⅛
23⅝	16½	AccoWd	s.44	1.9	19	383	23½	23¼	23¼	- ⅛
27	12½	AcmeC	40	2.4		172	17¼	16⅞	17	+ ⅞
12½	8¼	AcmeE	32b	3.3	12	12	9⅝	9⅝	9⅝	- ⅛
17⅞	15	AdaEx	2.11e	13.		56	16⅝	16⅛	16¼	
18⅞	11⅞	AdmMl	32	1.9	8	1	16⅝	16⅝	16⅝	
20¼	8⅝	AdvSys	81t	6.6	20	118	12⅝	12⅛	12¼	- ⅛
41⅛	25⅛	AMD			14	3381	34⅝	33⅝	34¼	+ ⅞
12⅛	6⅞	Advest	.12	1.2		75	10	9⅝	9⅝	- ⅛
14⅞	8⅞	AerFlex			12	179	13⅛	12⅞	13⅛	+ ⅛
39	27¼	AetnLf	2.64	6.9	32	6630	38⅛	37¼	38⅛	+ 1⅛
58¼	52⅛	AetL	pf5.87e	11		1	55⅝	55⅝	55⅝	- ⅛
33⅛	15¼	Ahmns	1.20	3.9	14	1235	31	30⅛	30⅛	+ ⅛
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Continued on Page 39

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, January 23

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close Quote	Ch'ge Prev. Close
7¼	3⅝	ADI	n		22	256	5⅞	5	5⅞	+ ⅞
3¼	1⅝	ADI	wt			77	2½	1⅞	2½	+ ½
3	¼	AICPh				1	1	1	1	− ⅛
15¼	8¼	ALLab	n.20	1.7	11	5	11⅞	11⅞	11⅞	− ⅛
15⅜	12	AMC	n.12	.8	12	108	u15¼	15⅛	15¼	+ ⅛
4⅞	2⅞	AM	Intl			800	3¼	3⅛	3¼	
73⅞	68	ATTFd	n5.52e	7.5		103	u73½	73	73½	+ ⅛
6⅛	2⅞	AcmePr			31	58	5⅜	5¼	5¼	+ ⅛
15¼	8½	AcmeU	.32	3.3	11	3	9⅝	9⅝	9⅝	
16⅞	9⅝	Acton			41	115	16⅜	16⅛	16⅜	+ ⅛
9¼	3⅞	Acton				15	4⅝	4¼	4¼	− ⅛
3⅝	1½	AdmRs			3	107	2⅛	2	2	− ¼
27	15⅞	AdRusl	.14	.5	20	89	u27¼	27¼	27½	+ ½
20⅞	15	Adobe	.24	1.4	11	41	17⅜	17⅜	17⅜	− ⅛
8⅞	4½	Aeronc			7	22	6⅞	6¾	6¾	
35½	16⅞	AlbHsp	.44	1.2	15	27	35½	35½	35½	
9⅞	6	AirExp			9	32	7⅞	7⅞	7⅞	− ⅛
14¼	5⅞	Aircal				53	9⅞	9⅛	9⅞	+ ⅛
5¼	2⅞	Alamco			7	119	3¼	3⅛	3¼	+ ⅛
75⅞	65½	Almco	n			97	73¼	72¼	72¼	− ⅛
14	6⅞	AlbaW			9	2	8¼	8⅛	8¼	+ ⅛
81	59½	AlgC	wt			2	72¼	72¼	72¼	+3⅞
9¼	5⅝	Alona			1	20	6¼	6⅛	6⅛	− ⅛
19⅝	9½	Alphain	.05	.5	14	292	10⅝	10¼	10¼	+ ⅛
1⅝	½	Altex				112	1¼	1¼	1¼	
⅞	⅛	Altex	wt			25	¼	3-16	3-16	
34¼	28⅞	Alcoa	pf3.75	11.		z300	33½	33	33½	+ ½
25⅞	11	AlzaCp			64	610	24⅝	23⅞	24½	+ ⅞
19⅞	9½	Amdahl	.20	1.3	19	2014	15½	15	15¼	− ⅛
18⅞	8½	Amedco	.08	.8		48	10¼	9⅞	9⅞	− ⅛
7¼	4⅞	AmBilt	.15	2.1	5	11	7	7	7	− ⅛

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 38

[illegible]

X–Y–Z

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close Quote	Ch'ge Prev. Close
20½	16½	Wynns	.60	3.1	7	24	19⅝	19½	19½	− ⅛
49¾	33¾	Xerox	3	7.0	13	8572	43	42½	43	
50½	45¼	Xerox	pf5.45	11.		30	49⅝	49⅜	49⅝	+ ⅝
34⅞	19	XTRA		2.4	10	234	26⅜	26¼	26½	+ ⅛
28¾	24	ZaleCp	1.32	5.0	8	108	26¼	25⅞	26¼	
24⅞	14½	Zapata	.84	5.4	12	3373	15⅝	15⅛	15½	+ ¼
51	28¾	Zayre	.40b	.8	14	664	u51¼	50½	50⅞	− ⅛
36½	18⅛	ZenithE			8	2953	22½	21⅝	22½	+ ⅞
25½	18	Zero	.40	1.7	18	115	24⅜	24	24	
29⅞	21⅛	Zurnin	1.32	4.5	11	73	29¼	28⅞	29¼	+ ½

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Jan. 23	Price Sch%	+ or −
Creditanstalt	226	......
Goesse	338	+3
Interunfall	410	......
Laenderbank	225	......
Perlmooser	355	+1
Steyr-Daimler	159	−1
Veitscher Mag	260	+3

BELGIUM/LUXEMBOURG

Jan. 23	Price Frs.	+ or −
B.B.L.	1,800	......
Banq. Int. A. Lux	6,550	......
Bekaert B	4,500	+25
Ciment CBR	2,480	......
Cockerill	263	+2
Delhaize	6,000	+300
EBES	2,820	+10
Electrobel	8,110	+10
Fabrique Nat	2,090	−10
GB Inno BM	2,945	+30
GBL (Brux)	1,985	+15
Gevaert	3,700	+50
Hoboken	5,960	......
Intercom	2,120	+5
Kredietbank	7,640	......
Pan Hldgs	10,300	......
Petrofina	6,720	−60
Royale Belge	10,100	......
Soc. Gen. Banq	3,250	......
Soc. Gen. Belge	1,800	......
Sofina	7,200	+100
Solvay	3,940	−10
Stanwick Intl	1,450	......
Tractionel	3,895	+15
UCB	4,700	−90
Wagon Lits	2,300	+60

DENMARK

Jan. 23	Price Knr %	+ or −
Andelsbanken	271	−3
Baltic Skand	580	......
CopHandelsbank	268	+3
D. Sukkerfab	495	+10
Danske Bank	270	+5
De Danske Luft	1,120	......
East Asiatic	159	−1
Forenede Brygg	800	......
Forenede Damp	91	−3
GNT Hldg	395	+5
I.S.S.B.	370	......
Jyske Bank	515	+5
Novo Ind	1,500	−10
Privatbanken	233	+5
Provinsbanken	300	+1
Smidth (F)	230	+1
Sophus Berend	920	+5
Superfos	435	......

FRANCE

Jan. 23	Price Frs.	+ or −
Emprunt 4½% 1975	1657	−3.1
Emprunt 7% 1973	7,650	−52
Accor	239.1	−1.6
Air Liquide	577	+3
BIC	568	+26
Bongrain	1,659	−17
Bouygues	741	−8
BSN Gervais	2,278	−8
CIT Alcatel	1,281	−9
Carrefour	1,819	+19
Club Mediter'n	1,190	+10
Cie Bancaire	599	+2
Cofimeg	253.5	+1.5
Damart	2,420	+45
Darty	1,081	+23
Dumez S.A.	753	+28
Eaux (Cie Gen)	566	−3
Elf-Aquitane	236.0	......
Essilor	2,811	−84
Gen. Occidentale	672	−4
Imetal	74	−3.9
Lafarge Coppee	391	+2.1
L'Oreal	2,431	+17
Legrand	2,080	+10
Maisons Phenix	187	+4
Matra S.A.	1,800	−22
Michelin B	789	+10
Midi (Cie)	2,250	+30
Moet Hennessy	1,975	−3
Moulinex	100.3	+2.3
Nord Est	79	−0.55
Pernod Ricard	700	+1
Perrier	455	−4
Petroles Fra	256.5	+0.3
Peugeot S.A.	265.5	−10.5
Printemp.Aus	182	+4.5
Radiotech	225	−6
Redoute	1,215	......
Roussel Uclaf	1,601	−18
Selimeg	305	......
SkisRossignol	1,935	−14
Telemech Elect	2,275	−25
Thomson CSF	465	+16
Valeo	233.5	−3

GERMANY

Jan. 23	Price Dm.	+ or −
AEG-Telef	106.5	−2.0
Allianz Vers	1070xr	−8
BASF	179.5	−4.3
Bayer	189.5	−4.1
Bayer-Hypo	323	−8
Bayer-Verein	345	−6
BHF-Bank	284	−5
BMW	377.0	−6.5
Brown Boveri	193.5	−3.0
Commerzbank	173.5	−2.0
Cont'l. Gummi	121.3	−1.7
Daimler-Benz	633.5	−4.5
Degussa	347	+1
D'sche Babcock	160.0	−2.5
Deutsche Bank	400.0	−5.1
Dresdner Bank	192.0	−2.6
GHH	172.8	+1.8
Hochtief	475	−4
Hoechst	183.5	−5.2
Hoesch Werke	103.0	−0.9
Holzmann (P)	399	+3
Horten	177	−2
Hussel	282	−17
Karstadt	237.0	−0.5
Kaufhof	218.0	−4.8
KHD	249xr	−5
Kloeckner	75	−5
Linde	391	−4
Lufthansa	191	+3
MAN	164	−1
Mannesmann	156.4	−2.2
Mercedes Hld	550	−10
Metallgesell	222.5	+0.5
Munech Rueck	1365	−34
Nixdorf	533	−6
Porsche	1064	−19
Preussag	247	−5
Rhein West Elect	165.7	+0.7
Rosenthal	244	−5
Schering	458.0	−3.5
Siemens	495.0	−6.5
Thyssen	90.1	−1.6
Varta	178	−4
Veba	172.8	−1.2
V.E.W.	123.6	−0.2
Verein-West	310	+1
Volkswagen	201.9	−3.1

ITALY

Jan. 23	Price Lira	+ or −
Banca Com'le	17,400	−410
Bastogi-IRBS	184.75	+2.75
Centrale	2,479	−36
Credito Varesino	4,400	−50
Fiat	2,309	−11
Finsider	55.75	−0.25
Generali Assicur	37,690	−510
Invest	2,926	......
Italcementi	76,000	−1800
La Rinascenti	565	−2
Montedison	1,453	+15
Olivetti	6,399	−119
Pirelli Co.	3,800	......
Pirelli Spa	2,128	−11
Snia BPD	2,511	+66
Toro Assic	14,275	+25
do. Pref	10,690	−109

NETHERLANDS

Jan. 23	Price Fls	+ or −
ACF Holding	202.5	+2.5
AEGON	164	......
Ahold	214.5	+3
AKZO	104	−0.5
ABN	384	−1
AMEV	226.5	−1
AMRO	73.4	−0.2
Bredero Cert	159	−0.5
Bos Kalis Westm.	13.8	......
Buehrmann-Tet	85	+1
Calland Hldgs	53.6	+0.1
Dordtsche Pet'm	165	+1
Elsevier-NDU	118.5	+1
Fokker	94.3	−0.2
Gist Brocades	183.5	+2
Heineken	156.7	−0.7
Hoogovens	64.3	−0.6
Int Mueller	43.7	......
KLM	48.5xc	......
Naarden	50.3	−0.3
Nat Ned Cert	293.5	+1
Ned M d Bank	167.5	−0.5
Nedlloyd	169.3	−0.2
Oce Grinten	304	+1.5
Ommeren (Van)	28.7	−0.1
Pakhoed	73.4	−1.1
Philips	50	+1.3
Robeco	73.6	0.4
Rodamco	135.8	+0.3
Rolinco	67.5	−0.3
Rorento	43.8	......
Royal Dutch	182.7	−0.5
Unilever	336	−2
VMF Stork	146.5	−0.5
VNU	218.5	−3
West Utr Bank	109.5	−2.5

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Jan. 23	Price Kroner	+ or −
Bergens Bank	166	+3
Borregaard	374	−6.8
Christiania Bank	161.5	−0.5
DenNorske Cred	166	+1
Elkem	137.5	−0.5
Kvaerner	179	+3
Norsk Data	417.5	+10
Norsk Hydro	107	−3
Storebrand	234	−1

SPAIN

Jan. 23	Price Pta%	+ or −
Bco Bilbao	313	−1
Bco Central	306	......
Bco Exterior	200	......
Bco Hispano	160	−1
Bco Popular	372	−4
Bco Santander	332	......
Dragados	166	−3
Hidrola	86.7	−0.7
Iberduero	90.2	+1.2
Petroleos	160.2	−1.7
Telefonica	116.2	+2.7

SWEDEN

Jan. 22	Price Kronor	+ or −
AGA	360	−8
Alfa-Laval	203	+1
ASEA (Free)	335	−10
Astra (Free)	425	......
Atlas Copco	111	+1
Cardo (Free)	280	......
Cellulosa	134	−3
Electrolux B	265	......
Ericsson	258	−4
Esselte	325	+5
Mo Och Domsjo	278	−2
Pharmacia	199	−1
Saab Scania Free	445	−20
Sandvik	380	......
Skandia	288	+13
Skan Enski'da	56	+0.5
SKF	186	−2
St Kopparbergs	158	−2
Sven Handlesbn	190	+5
Swedish Match	251	−6
Volvo B (Free)	254	−6

SWITZERLAND

Jan. 23	Price Frs.	+ or −
Alusuisse	779	+6
Bank Leu	3,800	+20
Brown Boveri	1,620	+5
Ciba Geigy	2,790	+30
do. (Part Certs)	2,165	+10
Credit Suisse	2,395	......
Elektrowatt	2,710	−30
Fischer (Geo.)	678	+23
Hoff-RochePtCts	88,875	−250
Hoff-Roche 1/10	8,925	−25
Jacobs Suchard	6,490	......
Jelmoli	2,010	+10
Landis & Gyr	1,670	+5
Nestle	6,890	−20
Oer-Buehrle	1,380	−15
Pirelli	269	......
Sandoz (Br)	7,850	+70
Sandoz (PtCts)	1,245	+5
Schindler (PtCts)	700	......
Sika	1,120	+10
Surveillance	4,115	+5
Swissair	1,102	+2
Swiss Bank	367	+1
Swiss Reinsce	9,500	......
Swiss Volksbk	1,490	+40
Union Bank	3,695	+5
Winterthur	3,570	−10
Zurich Ins	19,700	+50

AUSTRALIA

Jan. 23	Price Aust $	+ or −
ANZ Group	4.78	......
Alliance Oil Dev	1.05	......
Ampol Pet	1.76	+0.01
Ashton	0.77	+0.02
Aust Cons Ind	1.96	......
Aust. Guarantee	2.7	......
Aust. Nat. Inds	2.5	−0.1
Aust. Paper	2.43	−0.02
Bell Group	4.8	+0.05
Bell Res	4.5	+0.1
Bond Corp Hldgs	1.23	−0.02
Boral	3.2	......
Bougainville	1.92	+0.04
Brambles Inds	3.72	+0.02
Bridge Oil	2.25	+0.1
B.H. Prop	5.16	+0.04
CRA	5.44	+0.08
CSR	2.72	......
Carlton Utd	4.30	......
Castlemaine Tys	4.45	+0.7
Coles (C.J.)	4	+0.02
Comalco "A"	2.3	......
Consolidated Pet	0.49	......
Costain Aust	1.25	......
Dunlop Aust	2.15	−0.04
Elders IXL	3.06xc	−0.01
Energ Res	1.45	−0.03

AUSTRALIA (continued)

Jan. 23	Price Aust. $	+ or −
Gen Prop Trust	2.25	+0.05
Hardie (James)	3.05	+0.02
Hartogen Energy	2.15	−0.05
Herald W'yTimes	4.2	+0.15
ICI Aust	2.19	−0.01
Jimberlana F.P.	0.32	......
Kia Ora Gold	0.13	+0.01
Lend Lease	5.46	+0.06
MIM	2.55	−0.05
Mayne Nickless	3.13	−0.02
Myer Emporium	1.85	+0.09
Nat. Aust. Bank	3.65	−0.07
News	12.25	+0.15
Nicholas Kiwi	5.18	......
North Bkn Hill	2.25	−0.02
Oakbridge	0.65	......
Pancont'l	0.98	−0.02
Pioneer Conc	1.7	−0.02
Poseidon	2.8	−0.1
Queensland Coal	1.2	+0.01
Reckitt & Coln	3.15	+0.05
Repco	1.15	−0.02
Santos	5.26	−0.04
Smith (Howard)	3.68	+0.03
Thos. Natwide	1.9	+0.02
Tooth	5.8	+0.3
Vamgas	3.2	+.005
Western Mining	3.09	+0.07
Westpac Bank	3.47xr	−0.03
Woodside Petrol	0.88	......
Woolworths	3.05	+0.05
Wormald Intl	3.18	−0.04

HONG KONG

Jan. 23	Price H.K.$	+ or −
Bank East Asia	24.6	−0.2
Cheung Kong	13.6	+0.2
China Light	14.5	+0.1
Evergo	1.46	+0.01
Hang Seng Bank	46.75	−1
HK Electric	7.45	+0.1
HK Kowloon Wh.	5.7	−0.2
HK Land	4.5	+0.05
HK Shanghai Bk	9.1	......
HK Telephone	58.0	−1
Hutchison Wpa	19.7	+0.7
Jardine Math	9.35	−0.85
New World Dev	6.55	−0.15
Orient O'seas	2.75	......
Oseas Trust Bk	2.8	−0.02
SHK Props	9.4	−0.3
Shell Elect	2.0	......
Swire Pac A	25.0	+0.1
TV—B	5.65	−0.05
Wheel'k Mard A	4.22	−0.13
Wheel'k M'time	1.1	......
World Int. Hldgs	1.97	−0.02

JAPAN

Jan. 23	Price Yen	+ or −
Ajinomoto	1,090	−20
Alps Electric	2,100	−30
Amada	1,170	−10
Asahi Chem	687	−7
Asahi Glass	910	......
Bridgestone	645	+2
Canon	1,400	−30
Casio Comp	1,810	−20
Chugai Pharm	1,030	−20
Citizen	690	+3
Daiei	631	+1
Dai Nippon Ptg	955	−11
Daiwa House	565	+2
Ebara	336	−9
Eisai	1,520	−20
Fanuc	11,270	......
Fuji Bank	1,350	−20
Fuji Film	1,780	......
Fujisawa	1,040	+10
Fujitsu	1,380	......
Green Cross	1,660	......
Hasegawa	364	−1
Heiwa Real Est	622	−8
Hitachi	865	+7
Hitachi Credit	1,160	−20
Honda	1,350	......
House Food	700	−10
Hoya	2,300	−100
Itoh (C)	352	−6
Ito. Yokado	2,580	+20
Iwatsu	1,480	+30
JACCS	330	−25
JAL	6,400	+20
Jusco	730	−5
Kajima	277	−3
Kao Soap	822	−10
Kashiyama	622	......
Kirin	555	−1
Kokuyo	935	−5
Komatsu	469	−3
Konishiroku	660	−15
Kubota	328	......
Kumagai	540	+16
Kyoto Ceramic	7,000	−100
Maeda Const	472	−3
Makino Milling	1,300	......
Myakita	1,100	+10
Marubeni	315	−4
Marudai	552	−8
Marui	1,050	......
MEI	1,580	−10
M'ta Elec Works	649	−1
M'bishi Bank	1,390	+10
M'bishi	539	−5
M'bishi Elec	403	−3
M'bishi Estate	573	−11

JAPAN (continued)

Jan. 23	Price Yen	+ or −
MHI	246	−3
Mitsui Co	337	−3
Mitsui Estate	678	+3
Mitsukoshi	389	+1
NGK Insulators	540	......
Nihon Cement	219	−1
Nippon Denso	1,380	+10
Nippon Elect	1,210	−20
Nippon Express	339	......
Nippon Gakki	1,660	−10
Nippon Kokan	138	−1
Nippon Oil	860	−5
Nippon Seiko	681	−9
Nippon Shimpan	556	−21
Nippon Steel	150	−1
Nipppon Suisan	335	+2
NTV	15,020	−280
Nippon Yusen	244	−3
Nissan Motor	615	−2
Nisshin Flour	497	−5
Nisshin Steel	171	−1
Nomura	920	−10
Olympus	1,310	+30
Orient Leasing	3,430	+100
Pioneer	3,000	−120
Renown	660	+10
Ricoh	950	−10
Sankyo	1,030	+30
Sanyo Elect	470	+4
Sapporo	401	......
Sekisui Prefab	571	+8
Seven-Eleven	8,950	......
Sharp	1,180	−50
Shimadzu	828	+10
Shionogi	677	−5
Shiseido	1,130	+20
Sony	3,920	−60
Stanley	905	−10
S'tomo Bank	1,690	−40
S'tomo Elect	940	−1
S'tomo Marine	603	−13
S'tomo Metal	148	+1
Taihei Dengyo	480	−1
Taisei Corp	300	−1
Taisho Pharm	1,090	+10
Takeda	793	......
TDK	5,320	−80
Teijin	439	+4
Teikoku	553	−2
Tokyo Marine	741	+2
TBS	840	+3
Tokyo Elect Pwr	1,550	+10
Tokyo Gas	165	+3
Tokyo Sanyo	710	......
Tokyo Style	740	−10
Tokyu Corp	315	−3
Toppan Print	876	−5
Toray	446	−4
Toshiba Elect	420	−4
TOTO	695	......
Toyo Seikan	657	+12
Toyota Motor	1,270	......
Victor	2,150	−30
Wacoal	725	−5
Yamaha	730	−2
Yamanouchi	2,740	+40
Yamazaki	675	+5
Yasuda Fire	373	+2
Yokogawa Bdge	440	......

SINGAPORE

Jan. 23	Price $	+ or −
Boustead Hldgs	1.6	......
Cold Storage	2.42	−0.06
DBS	5.55xa	−0.1
Genting	4.9	−0.02
Haw Par. Bros	1.9	......
Hong Leong Fin	2.88	+0.01
Inchcape Bhd	2.47	......
Keppel Shipyard	1.4	−0.01
Malay Banking	5.35	......
Malay Utd. Ind	2.21	−0.04
Multi Purpose	0.91	+0.02
OCBC	8.5	+0.05
OUB	3.6	+0.02
Public Bank	1.63	......
Sime Darby	1.67	......
Singapore Press	6.3	−0.05
Straits Trdg	4.24	−0.02
Tat Lee Bk	2.67	−0.04
UOB	4.26	+0.04

SOUTH AFRICA

Jan. 23	Price Rand	+ or −
Abercom	1.2	......
AE&CI	7.45	......
Anglo Am Coal	42.5	......
Anglo Am Corp	24.25	−0.5
Anglo Am Gold	184.5	+0.5
Barclays Bank	16	−0.1
Barlow Rand	10.75	−0.1
Buffels	73	−2.25
CNA Gallo	2	......
Currie Finance	3.35	......
De Beers	9.05	+0.2
Driefontein	53.1	−1.65
FS Geduld	51	......
Gold Fields SA	68.5	−0.5
Highveld Steel	4.23	−0.17
Nedbank	10	......
OK Bazaars	13.75	−0.25
Protea Hldgs	1.38	−0.02
Rembrandt	31.5	......
Rennies	12.6	......
Rust Plat	17.4	+0.1
Sage Hldgs	6.75	+0.55
SA Brews	6.4	−0.1
Smith (CG)	21.5	......
Tongaat Hulett	6.35	−0.15
Unisec	4.6	−0.05

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Tr 2 IL 98	£110⅞	+£1⅛
Book. McConn.	257	+6
Bootham Eng	140	+20
Milford Docks	72	+11
Minorco	690	+25
Sterling G'tee Wr	35	+9
Vaux Breweries	292	+6

FALLS

Tr 13 90	£105⁷⁄₁₆	−£⅜
Tr 13¾ 00–03	£117	−£⅝
Anglia TV A	155	−9
BAT Inds	358	−7
BOC	295	−12
BTR	660	−13
Britoil	205	−10
Christies Int'l	498	−10
Courtaulds	145	−5
Daily Mail A	£11⅝	−£⅜
GKN	208	−9
Hanson Trust	337	−10
Hogg Robinson	246	−6
Lasmo	345	−13
Mks. & Spencer	125	−4
Mercantile Hse	333	−25
Pentland Inds	370	−23
Plessey	190	−10
Racal Elect	240	−48
Smith (WH) A	214	−8
Sumrie Clothes	65	−9
TI	240	−8
Ultramar	200	−8

Continued on Page 48

CANADA

TORONTO
Prices at 2.30pm January 23

Sales	Stock	High	Low	Close	Chng
[illegible]					

MONTREAL
Closing prices January 22

Sales	Stock	High	Low	Close	Chng
[illegible]					

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 39

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

AMERICAN STOCK EXCHANGE PRICES

[illegible]

LONDON STOCK EXCHANGE

MARKET REPORT — **RECENT ISSUES**

Oil price rumours trigger equity market shake-out

Index falls 20.8 to 1,003.7

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan 14	Jan 24	Jan 25	Feb 4
Jan 28	Feb 7	Feb 8	Feb 18
Feb 11	Feb 21	Feb 22	Mar 4

* "New-time" dealings may take place from 9.30 am two business days earlier.

Renewed speculation about oil prices brought an abrupt change of direction in London equities yesterday. Middle East reports that OPEC would cut its benchmark price this weekend by $2.50 a barrel were strenuously denied by the organisation's news agency, but international crude oil and financial markets remained uncertain.

London equity dealers were *grateful after six days of sharply* rising share prices for any chance to balance their books. Their defensive tactics of lowering values at the opening shook out some nervous holders and also triggered off profit-taking. The ensuing sales enabled many dealers to balance book positions which had been looking extremely one-sided.

Few institutional investors were tempted *to sell. Most were* content to *maintain a low profile* but remained interested in any lines of stock to come on offer. Several above-average selling orders were effected in the early trade with little *difficulty*. Leading stocks made few real attempts at a rally during official hours and only managed a tentative recovery in the after-hours business. This followed Wall Street's *early firmness*.

The Electrical sector was one of the hardest hit. The warning from **Racal Electronics** of substantially lower profits saw the shares tumble 48 to the day's worst *level of* 240p, bringing other leading issues down in its wake. The FT Ordinary share index measured the overall setback with a fall of 20.8 to 1,003.7 but that followed a rise of 75 points over the previous six sessions.

Conventional Gilt-edged securities were unsettled by the renewed exchange rate uncertainty which followed the oil price scare. Quotations initially tried to resist the fall in sterling but its late easiness against the dollar — the rate moved down on Continental currencies from the start — ruffled a sensitive market and prices closed ½ lower in places. However, the popularity of index-linked stocks showed little sign of abating and selected issues rose a point. *Stock shortages* were a factor following exhaustion this week of the authorities' supply of both Treasury 2½ per cent 2011 and Treasury 2½ per cent 2001.

Insurances easier

Insurances succumbed to profit-taking sales. **Hogg Robinson** lost 6 more for a two-day decline of 17 to 246p as takeover hopes faded following recent news that **Mills and Allen International** had disposed of its near 8 per cent stake in the company; the 2.7m shares were placed by brokers Rowe and Pitman with various institutions. Other Lloyds Brokers drifted lower with **C. E. Heath** closing 6 off at 620p and **Sedgwick** 3 down at 370p. Composites closed with *falls* ranging to 8. **GRE**, at 662p, and **Royals**, at 562p, both cheapened that amount, while **General Accident** slipped 5 to 520p and **Commercial Union** softened a few pence to 200p. Among Life issues, **Legal and General** dropped 10 to 563p as did **Prudential**, to 525p.

Clearing banks turned easier as buyers withdrew, leaving the way clear for sporadic bouts of profit-taking. **Midland** fell 6 to 347p and **Lloyds** gave up 5 at 538p. Elsewhere, **Bank of Scotland** lost 7 to 475p and **Royal Bank of Scotland** 6 to 248p. **First National Finance Corporation**, already a shade firmer ahead of the results, closed 1½ up at a new peak of 83½p following news *of* the 54 per cent increase in annual profits.

The shake-out took its toll on leading Breweries, although only small selling was reported. **Whitbread A**, 214p, and **Bass**, 510p, dipped 7 apiece, while **Allied-Lyons** eased 3 to 175p. **Arthur Guinness** bucked the trend and finished a net penny to the good at 240p, after 236p. Regionals provided a noteworthy firm spot in **Vaux** which rose 6 more to 292p in front of next week's annual presentation to brokers.

Leading Building issues opened easier and weakened further on profit-taking before staging a minor rally. **Blue Circle**, favoured by U.S. investors on Tuesday, dipped to 500p before revived American buying left the close just 3 cheaper on balance at 515p. **Redland**, however, gave up 8 to 284p and **BPB Industries** shed 7 to 263p. Among Timbers, **Trent Holdings** added 3 to 100p ahead of next Wednesday's interim *results*.

After opening around 10 lower on American influences, **ICI** staged a useful rally and closed only 4 cheaper on balance at 818p. Among other Chemicals, ***Allied Colloids*** gave up 6 to 250p and **Croda International** lost 4 to 142p. **Arrow** shed 6 to 68p as bid hopes faded, but **Stewart Plastics** firmed 4 to 92p following satisfactory interim results.

W H Smith lower

A fairly buoyant sector of late, Stores wavered *in* the face of *profit-taking. **Marks and** ***Spencer**, 4 down at 125p, led the leaders lower, while **Debenhams** closed 7 off at 211p and **Gussies A** the same amount cheaper at 723p. **British Home** eased 5 to 259p and **Habitat** 4 to 382p. Recent high-flier **W. H. Smith A**, declined 8 to 214p and speculative counter **Sumrie** gave up 9 at 65p. Against the trend, **Lincroft Kilgour** added 4 more at 152p on further consideration of the preliminary results.

Overshadowed by Racal's warning about second-half profits, and fears of future cuts in defence spending following the Government's Public Expenditure White Paper, leading Electricals ended the day on a depressed note. **Plessey** encountered some fairly aggressive selling and fell 10 to 190p, while **Thorn EMI** recorded a fall of 10 at 440p. **GEC** lost 8 to 204p and **BICC** 10 to 260p. **British Telecom** closed a little above the day's lowest with a [illegible] of 2 to 130p. **Feranti** came *on offer and gave* up 10 to 154p, while losses of a similar amount were sustained by **Eurotherm**, 343p, and **United Scientific**, 255p. Profit-taking clipped 14 from **Cable and Wireless**, at 525p.

*Leading Engineers participa*ted in downturn falls of around 8 being recorded in **GKN**, 208p, and **TI**, 240p. **Vickers** eased 4 to 230p. Among recent favourites to give ground, **A. Cohen** dipped 35 to 515p and **Tace** 25 to *400p*. **Bootham Engineers**, in contrast, responded to the good annual results with a rise of 20 to 140p. **F. H. Lloyd**, still reflecting Suter's recently acquired stake, put on 3½ more to 49p, while **Simon Engineering** hardened a couple of pence to 254p on news of the acquisition of a 50.01 per cent interest in Geo-Search Corporation of America. **J. Saville Gordon** touched 99p following the interim figures before drifting back on profit-taking to close unchanged on balance at 95p.

Foods opened lower in line with other equity sectors, but soon recovered their poise and closed only *marginally easier* on balance. **J. Sainsbury**, the subject of American buying on Tuesday, slipped to 312p before picking up to close just a couple of pence cheaper on balance at 316p. *Bid favourites* **Tate *and* Lyle** 495p, and **Rowntree Mackintosh**, 357p, both settled a few pence lower. Profit-taking clipped 7 from **Avana** at 595p, but speculative buying lifted **British Vending Industries** 5 to 46p.

Booker improve

Leading miscellaneous industrials sustained double figure *losses, but some international* stocks ended above teh day's lowest with **Glaxo** closing ½ cheaper at £12⅜, after £12¼. **BOC** fell 12 to 295p and **BTR** 13 to 660(while **Beecham** lost 8 to 380p. **Hanson Trust** *fell 10* to 357p, but **Metal Box** resisted the trend and closed 6 higher at 418p, after falling to 408p initially. Elsewhere, **Booker McConnell** advanced to 260p before settling 6 higher at 257p on news that the Monopolies Commission had cleared the way for Dee Corporation to renew its bid; **Dee Corporation** firmed 4 to 207p. **Plastic Constructions** responded to the results and acquisition news with a rise of 4 to 61p, while takeover favourite **LCP** met with a late burst of speculative buying to finish 7 to the good at 122p. **Pentland** encountered profit-taking and fell 23 to 370p, while **Christies International** ran back 10 to 496p after the recent show of strength. **British Aerospace** held up relatively well, settling only a couple of pence off at 375p, after 370p.

Anglia Television dipped 9 to 155p, the excellent preliminary figures being outweighed by losses and a proposed rights issue by its Sodastream associate. Elsewhere in Leisures, **Media Technology** attracted "call" option business and rose 8 to 166p, but scattered profit-taking clipped that much from **Horizon Travel**, 130p, and **Insight**, 98p.

Lucas were resilient in Motors, rallying from an initial 267p to close a couple of pence dearer at 275p, still underpinned by hopes of a bid from General Motors. Elsewhere, recent U.S. favourite **Jaguar** declined 6 to 303p on profit-taking, while **Dunlop** lost 2 to 33p awaiting further developments in the BTR bid situation.

The Newspaper sector's impressive run came to a halt yesterday. Quotations ran into bouts of profit-taking and **Fleet Holdings**, *which have soared recently* following the substantial stakes disclosed by United Newspapers and Warburg Investment Management, declined 6 to 260p. **Associated Newspapers**, *equally* well supported of late on asset value considerations, cheapened 15 to 705p and **Daily Mail "A"** lost ⅜ to £11⅜.

Attention in Properties focussed initially on **Sterling Guarantee Trust Warrants** which jumped to 37p prior to closing a net 9 up at 35p. **T. C. Coombes** made an unsuccessful attempt to acquire 320,000 Warrants at 30p per share and later it was announced that the merger proposals in respect of the warrant had been revised owing to the recent strength of P & O. Elsewhere, recently-firm **County Properties** encountered profit-*taking in the wake of the chair*man's annual statement and closed 7 down at 120p.

Milford Docks were again outstanding in Shippings, rising 11 afresh to 72p on persistent *speculative support fuelled by* hopes of an eventual bid from the consortium headed by the Marquis of Milford Haven, which recently signed an option to acquire by March 31 of this year, N. G. Investment's near-30 per cent holding.

She target of speculative buyers of late on suggestions that Hanson Trust had built up a 4 per cent stake in the company, **Courtaulds** met with profit-taking and dropped to 144p before closing a net 5 down on the day at 145p. Elsewhere in Textiles, **Carpets International** gave up 3 to 38p and **Coats Patons** lost 6 at 155p. **Nottingham Manufacturing**, on the other hand, firmed 10 to 230p; the preliminary results are scheduled for next month.

Tobaccos moved lower with the general trend. **Bats** lost 7 to 358p, after 355p, while **Imps** fell 4 to 201p.

Following a re-appraisal of the half-year figures, **Mercantile House** *fell 25 to 333p*.

Oils nervous

Reports, later strongly denied, that OPEC had agreed to reduce the bench mark of Arabian *light* crude by $2.50 per barrel threw the Oil sector into confusion at the outset. Prices opened widely lower and weakened further, but the leaders subsequently staged a good rally after-hours' on American buying prompted by currency influences. **British Petroleum** fell away to 482p before late support left the close just 3 cheaper on balance at 502p. **Shell** also rallied strongly from an initial 690p to close unchanged at the day at 705p. **Royal Dutch** hardened ⅜ to £45⅞ on currency considerations. **LASMO**, however, settled 13 lower at 345p and **Britoil** finished 10 down at 205p. **Ultramar** lost 8 to 200p and **Tricentrol** gave up 5 to193p.

Mining markets were again overshadowed by London equities. Lower from the outset, reflecting easier overnight indications from Wall Street, South African Golds drifted throughout the session, as the bullion price dipped below the important $300 an ounce level before closing a net $4.75 off at $301 an ounce.

Losses among Heavyweight golds extended to a couple of points as in **Randfontein**, £77½. **Vaal Reefs** gave up 1⅝ at £72⅜, while smaller falls were noted in **President Steyn**, £24⅝, and **President Brand**, £21½. Marginal counters were marked lower across the board and losses of 17 were common to **Elandsrand**, 549p, **East Rand Props**, 627p, and **Grootvlei**, 616p. The FT Gold Mines index declined 8.7 to 454.3.

London-domiciled Financials paused for breath after their recent strong advances. The depressed bullion price and downturn in domestic equity values prompted sporadic profit-taking which lowered **Consolidated Gold Fields** 6 to 497p and **RTZ** a similar amount to 647p.

A couple of firm spots emerged elsewhere. **De Beers Deferred** *hardened a few pence to 353p* following U.S. demand, while the Bermuda-registered **Minorco**, still hoping for pleasing figures from American associate Philbro-Salomon, responded to heavy turnover in New York by rising 25 for a four-day advance of 140 to 690p.

FINANCIAL TIMES STOCK INDICES

	Jan. 23	Jan. 22	Jan. 21	Jan. 18	Jan. 17	Jan. 16	year ago
Government Secs....	80.00	80.20	80.20	80.06	79.73	80.17	82.87
Fixed Interest........	84.34	84.14	84.14	83.98	83.69	84.05	87.24
Ordinary..............	1003.7	1024.5	1003.9	1004.4	987.2	981.3	840.5
Gold Mines...........	454.3	463.0	463.7	466.3	462.4	460.4	528.1
Ord. Div. Yield........	4.30	4.22	4.32	4.33	4.38	4.41	4.29
Earnings, Yld.% (full)	10.74	10.56	10.80	10.83	11.04	11.11	9.01
P/E Ratio (net) (*)...	11.18	11.38	11.11	11.09	10.88	10.81	13.58
Total bargains (Est.)	28,533	33,292	23,561	26,509	25,560	26,152	27,013
Equity turnover £m.	—	597.99	466.01	437.98	500.42	574.31	351.64
Equity bargains......	—	34,240	30,831	26,279	25,182	23,849	23,067
Shares traded (ml)...	—	297.3	246.7	244.9	260.7	268.3	197.9

10 am 1005.8. 11 am 1005.3. Noon 1002.8. 1 pm 1003.0.
2 pm 1003.2. 3 pm 1002.8.

Basis 100 Govt. Secs. 15/1/28. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 10.82.

HIGHS AND LOWS — S.E. ACTIVITY

—	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Sec..	83.77 (9/1/84)	75.72 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int....	87.48 (14/3/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary....	1024.5 (22/1/85)	755.3 (23/7/84)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	711.7 (9/3/84)	445.3 (7/1/85)	734.7 (15/2/83)	43.5 (26/10/71)

	Jan. 22	Jan 21
Daily		
Gilt Edged Bargains....	186.0	149.9
Equities Bargains....	221.9	199.8
Value..........	1208.7	941.9
5day Average		
Gilt Edged Bargains....	165.8	166.0
Equities Bargains....	180.5	167.2
Value..........	1041.6	976.4

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 21	Feb 1	April 25	May 7
Feb 4	Feb 15	May 9	May 20
Feb 18	March 1	May 30	June 10

For rate indications see end of Share Information Service

Stocks favoured for the call included **Aran Energy, Bula, Britannia Aroow, Brunswick, Rockware, United Biscuits Warrants, Barratt Developments, Imps, British Telecom, Horizon Travel, Normans, Midland Bank,** ***Premier Oil, Selincourt, Media*** **Technology International, Elswick-Hopper, Camford Engineering, Atlantic Resources, Lamont, Suter, Bluemel Bros, LCP, Bio-Isolates, James Wilkes, Commercial Union, Acorn Computer, Clyde Petroleum, Black Hill Minerals and Barker and Dobson.** No puts were reported, but doubles were taken out in ***Acorn Computer, Combined*** **Technologies, British Telecom, Ladbroke and Premier Oil.**

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	11	78	16
Corpns. Dom. and Foreign Bonds ...	13	13	48
Industrials	184	496	766
Fin. and Props. ...	76	179	289
Oils	15	35	74
Plantations	4	4	9
Mines	19	57	102
Others	77	42	89
Totals	399	904	1,393

Greycoat

Greycoat City Offices is now *interested in 92.2 per cent of* **Churchbury** and 99.6 per cent of **Law Land** and its offers for both companies are now unconditional in all respects and will remain open until further notice.

*Valid elections for the Church*bury cash alternative (now closed) have been made in respect of 655,053 new Greycoat shares. Of the Law Land acceptances, 110,635 are in respect of the share and cash offer, 817,817 in respect of the cash consideration, 41.56m in respect of the loan stock consideration and 1.04m in respect of the share and loan stock consideration.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed Jan 23 1985

FIXED INTEREST

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
‡10	F.P.	—	13½	12	✻B'nnett&Fount'n10p	12½	−1	bg0.42	1.8	4.8	15.1
§160	F.P.	18/1	225	176	Candover Inv.	217	...	H1.4	—	0.9	—
‖	F.P.	—	103	88	GBC Capital	105	+1	Q2.4	—	1.4	—
‖	F.P.	—	27	21	Do. Warrants ..	26	−1	—	—	—	—
**	F.P.	1/2	25	21	Jap.AssetsTstWar'nts	23	−½	—	—	—	—
‡62	F.P.	1/2	67	54	Kingsley&Forester20p	57	...	bg5.04	1.9	7.6	8.7
‡55	F.P.	6/2	57	53	✻OptometricsU.S.A.	54	−1	Q2c	—	3.1	—
92	F.P.	24/1	95	88	ProcessSystems$0.025	92	...	Q0.25c	2.9	0.2	—
‡68	F.P.	—	95	82	✻Spafax Television	88	−5	b2.0	2.8	3.3	16.0
‡132	F.P.	11/1	223	156	Wardle Storeys 10p..	218	−5	u5.0	2.7	3.3	16.3
‡95	F.P.	—	138	125	✻Whitworth'sFood5p	125	−3	ud2.0	1.8	2.3	33.3
20	F.P.	21/1	25½	20½	Williams (Rex) Leis.5p	21	...	u0.91	1.4	6.2	14.5

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price £	+ or −
91.574	£30	10/4	34¼	29¾	African Dev. Bank 11⅛% Ln. 2010.	30¼	.....
‡100	F.P.	11/1	102½	100	Comm Bk of Wales13½% SubUns Ln 95-97	101½	...
‖	F.P.	22/2	127	108	F. & C. Eurotrust 8¼% Cnv. Ln. '96 ...	127	...

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+ or −
485	F.P.	8/2	665	620	Carlton Comms..........	665	..
85	F.P.	4/2	122	99	Carr's Milling.............	122	..
60	F.P.	13/2	72	65	Dura Mill 2½p.............	70	....
80	F.P.	1/2	120	93	LCP Hldgs.	116	..
Ir.18	Nil	—	1pm	½pm	✻Memory Computer 10p	½pm	..
24	F.P.	13/2	26	24½	✻Morris (W.) Fine Arts 20p.	24½	..
255	F.P.	8/2	310	285	Pilkington Bros. £1.........	298	+1
38	Nil	—	8½pm	7½pm	Premier Cons. 5p	7½pm	−1
32	F.P.	—	36	32	✻Steaua Romana R/V......	32	...
17	Nil	—	5½pm	3pm	Walker (C. & W.) 15p........	4½pm	−1
250cts	Nil	—	70pm	60pm	Westpac $A1	70pm	.....

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment letters or fully-paid. ‖‖ Introduction. ✻ Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. :: Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share.

NEW HIGHS AND LOWS FOR 1984/5

NEW HIGHS (148)

AMERICANS (39)
CANADIANS (10)
BANKS (4)
BREWERS (3)
BUILDINGS (1)
CHEMICALS (3)
STORES (3)
ELECTRICALS (7)
ENGINEERING (10)
FOODS (1)
INDUSTRIALS (16)
INSURANCE (8)
LEISURE (3)
MOTORS (3)
PAPER (5)
PROPERTY (2)
SHIPPING (1)
TRUSTS (26)
OILS (2)
PLANTATIONS (1)

NEW LOWS (17)

BANKS (1)
English Assoc.
BUILDINGS (1)
Conder
ELECTRICALS (2)
CPU Computers — Real Time Control
ENGINEERING (1)
RTD Group
MOTORS (1)
Aerospace Eng.
PROPERTY (1)
Lond. Prov. Shop
SHIPPING (2)
Lyle Shipping — Turnbull Scott
TEXTILES (1)
Munton Bros.
OILS (2)
Edinburgh Oil Gas — Sun (UK) Royalty
MINES (5)
Durban Deep — Western Areas
East Dagga. — Gom Exp. & Mins.
S.A. Land

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Arrow Chemicals	68	− 6
BAT Inds	358	− 7
Brit Telecom	130	− 2
CASE	285	− 8
Hanson Trust	337	−10
ICI	818	− 4
Imperial Group	201	− 4
Legal and General ...	563	−10
Milford Docks	72	+11
Prudential	525	−10
Racal Elect	240	−48
Rothmans Intl	189	− 2

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
ICI	30	822	+30
Blue Circle ...	20	518	+38
GUS "A" ...	20	730	+25
Cable & Wire	18	539	+21
NatWest Bank	18	633	+25
BP	17	505	+10
Plessey	17	200	− 6
Sainsbury (J.)	17	318	+22
Hanson Trust...	16	347	+ 1
Falcon Res ...	15	294	+31
Glaxo	15	£12⅝	+ ⅛
Lucas Inds ...	15	273	+ 9
Metal Box ...	14	412	+30
Shell Trans ...	14	273	+ 9

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls Jly.	Puts Jan.	Puts Apr.	Puts Jly.
B.P. (*500)	390	112	117	—	1	1½	—
	420	82	90	—	1	3	—
	460	42	55	65	1	9	15
	500	3	30	42	4	27	33
	550	1	14	—	53	65	—
Cons. Gold (*497)	460	37	62	72	2	11	18
	500	1	37	43	10	33	42
	550	0½	16	24	60	72	80
	600	0½	—	—	110	—	—
	650	0½	—	—	160	—	—

Option		Calls Feb.	Calls May.	Calls Aug.	Puts Feb.	Puts May.	Puts Aug.
Imperial Gp. (*203)	160	45	46	50	1½	3	4
	180	25	28	32	3	5	8
	200	10	19	24	10	16	19
LASMO (*348)	300	52	60	68	3	8	13
	330	32	45	52	10	18	22
	360	14	28	40	25	33	40
Lonrho (*176)	140	37	40	41	1	2	3
	160	17	22	24	2	6½	9
	180	6½	10	14	10	15	17

EUROPEAN OPTIONS EXCHANGE

LONDON SHARE SERVICE

BRITISH FUNDS

1984-85 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
105¾	100⅛	Treas. 15pc 1985	100⅛xd	.....	14.97	12.57
102¼	99⅞	Exch. 12pc Cnv. '85	99⅞	.....	12.01	12.21
97¾	93⅜	Treas 3pc 1985	97½	.....	3.08	11.06
102⅝	99½	Treas 11½pc 1985	100	−⅛	11.50	11.47
99¾	96⅜	Treas 8¾pcCnv '85	98½	−⅛	8.91	11.74
104⅛	99⅞	Exch. 12¼pc 1985	100⅜	−⅛	12.20	11.59
103⅞	99⅛	Exch. 11¾pc '86	100⅜xd	−⅛	11.71	11.50
102⅜	96⅜	Treas. 10pcCnv 1986	98⅜	−⅛	10.17	11.42
93¼	88¼	Treas 3pc 1986	93½	−⅛	3.21	8.31
102	96¼	Exch. 10½pc Cv '86	98⅞	−⅛	10.62	11.37
104⅜	99⅛	Treas 12pc 1986	100¾	−⅛	11.91	11.36
98¼	93½	Treas 8¼pc 1984-86‡‡	96⅝	.....	8.80	11.08
108⅞	102⅞	Exch. 14pc 1986	104⅛	−⅛	13.45	11.30
89⅞	85	Exch. 2½pc 1986	89⅛	.....	2.81	9.17
107⅞	100⅞	Exch. 13¼pc 1987	103⅛	−⅛	12.81	11.28
100⅞	94½	Treas 10¼pcCv '87	98⅛xd	−⅛	10.44	11.28
87¾	83½	Exch 2½pc 1987	86½xd	.....	2.89	9.76
101⅛	94½	Exch 10½pc 1987	98⅜	−⅛	10.68	11.36
92¼	87	Funding 6½pc '85-87‡‡	91	.....	7.14	11.09
99⅝	92⅞	Treas. 10pc 1987	97⅛	−⅛	10.29	11.36
86⅝	81⅜	Treas 3pc 1987	85⅝	.....	3.50	9.69
105	97¼	Treas. 12pc 1987	101⅜	−⅛	11.84	11.40
94⅞	87⅜	Treas 7¾pc 1985-88‡‡	92xd	.....	8.42	10.95
100¼	92⅞	Exch 10½pc '88	97⅛	−⅛	10.80	11.54
98⅛	89⅞	Treas 9¾pc Cv '88	95⅜	−⅛	10.24	11.49
82⅜	77	Transport 3pc '78-88	81½	.....	3.68	9.43
96⅞	88⅜	Treas. 9½pc '88	93⅝	−⅛	10.15	11.62
106¼	94⅞	Treas 11½pc 1989	99⅝xd	−⅛	11.54	11.64
96⅞	87⅞	Treas 9½pc Cnv. '89	93½	−⅛	10.20	11.52
99⅝	90⅞	Treas 10½pc 1989	96⅜	−⅛	10.90	11.58
100⅜	88⅝	Exch.10pc 1989	94⅜xd	−⅛	10.59	11.61
101⅜	94¼	Exch 11pc 1989	97⅜	−⅛	11.29	11.68
85¼	77½	Treas 5pc 1986-89	80⅞	+⅛	6.19	10.21
114⅛	100¼	Treas 13pc 1990‡‡	105⅜	−⅛	12.33	11.49
		Five to Fifteen Years				
110⅞	100¾	Exch. 12½pc 1990	107½	−¼	12.11	11.64
94¼	84⅞	Treas 8¼pc 1987-90‡‡	89⅞	−¼	9.27	11.01
98⅞	90⅝	Treas. 10pcCv 1990	95½	−¼	10.77	11.72
108¼	94½	Treas 11¾pc 1991	100¼	−¼	11.76	11.76
84¼	75⅝	Funding 5¾pc '87-91‡‡	82	−¼	7.17	10.17
105¼	93⅞	Exch. 11pc 1991	99⅞	−¼	11.32	10.61
113¼	95⅞	Treas 12¾pc 1992‡‡	104⅝	−¼	12.19	11.78
100⅝	86	Treas 10pc 1992	91⅝xd	−¼	10.83	11.62
101	94⅛	Treas 10½pc Cv 1992‡‡	98¼	−¼	11.11	11.61
111⅛	95⅝	Exch. 12¼pc '92	101¼xd	−¼	11.97	11.80
117½	106⅛	Exch 13½pc 1992	112¼	−¼	12.54	11.93
113⅞	98⅛	Treas 12½pc 1993‡‡	104⅛	−¼	12.04	11.79
79¾	71⅛	Funding 6pc 1993‡‡	78	−¼	7.91	10.28
121⅛	106⅛	Treas 13¾pc 1993‡‡	112½	−¼	12.48	11.85
126¼	108¼	Treas 14½pc 1994‡‡	114¼xd	−¼	12.53	11.67
120⅝	106	Exch 13½pc 1994	112¼	−¼	12.40	11.89
114⅛	96⅛	Exch. 12½pc 1994	109xd	−¼	12.02	11.81
94½	82⅞	Treas 9pc 1994‡‡	88¼	−¼	10.38	11.26
110⅝	94⅞	Treas 12pc 1995	101¼xd	−¼	11.85	11.78
64⅞	58¼	Gas 3pc '90-95	63½	.....	4.78	8.50
100¼	86	Exch. 10¼pc 1995	91¼	−¼	11.18	11.65
117⅞	102⅞	Treas 12¾pc 1995‡‡	108⅞	−¼	11.98	11.67
124¼	106⅞	Treas. 14pc '96	112⅞	−¼	12.41	11.88
94⅝	83¼	Treas 9pc 1992-96‡‡	89¼	−¼	10.46	11.23
134⅞	118¼	Treas 15¼pc 1996‡‡	124¼	−¼	12.62	11.85
122⅞	106½	Exch 13¼pc 1996‡‡	112½	−¼	12.05	11.64
69⅞	63¼	Redemption 3pc 1986-96	69½	.....	4.38	6.98
121⅛	104½	Treas 13¼pc 1997‡‡	110½	−¼	12.00	11.62
104½	87⅞	Exch 10½pc 1997	92⅞xd	−¼	11.21	11.49
92½	77½	Treas 8¾pc 1997‡‡	82¼xd	−¼	10.46	11.21
134⅝	118¼	Exch. 15pc 1997	124¼	−¼	12.45	11.84

AMERICANS—Cont.

BEERS, WINES—Cont.

BUILDING, TIMBER, ROADS

DRAPERY & STORES—Cont.

ENGINEERING—Continued

HOTELS—Continued

INDUSTRIALS (Miscel.)

ELECTRICALS

CANADIANS

BANKS, HP & LEASING

CHEMICALS, PLASTICS

FOOD, GROCERIES, ETC

DRAPERY AND STORES

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

BEERS, WINES & SPIRITS

Hire Purchase, Leasing, etc.

HOTELS AND CATERERS

ENGINEERING

هكذا من الأصل

INDUSTRIALS—Continued

1984-85 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
64	43	Magnolia Group	48		2.5	3.2	7.4	4.7
64	28	‡Mammet Hldgs. 10p	48		—	—	—	—
270	157	Man. Ship Can. £1	258	–2	5.5	3.5	3.0	13.3
104	65	Marley	101	–2	†3.2	2.5	4.5	11.4
61	40	Marling Ind. 10p	53½	–½	†d3.0	5.6	3.5	6.3
46	29	Marshall L'sy. 'A'	40		†1.2	3.6	—	(7.1)
68	37	Marshall's Universal	67	–1	‡1.75	—	3.7	20.1
89	77	Do. 7½pcCnRedPf £1	83		7½%	—	12.9	—
30	20	Martin-Black	22		—	—	—	—
£108	£85	‡Mathesons 7¼%	£85		Q7¼%	2.3	(9.2)	—
418	287	Metal Box £1	418	+6	†15.0	3.2	5.1	6.7
230	129	Metal Closures	159	–1	6.3	2.3	5.7	(8.8)
27	12	‡Metal Sciences 2½p	13		—	—	—	—
133	83	‡Midland Marts	90		4.0	1.8	6.3	11.4
84½	45	Mitchell Cotts	84	–½	4.0	1.5	6.8	11.9
196	132	Morgan Crucible	195	–1	†7.5	1.2	5.5	(19.7)
36	24	‡Morris (W) F.A. 20p	24½	–½	bq0.5	4.0	2.9	23.3
110	80	Moss (Robt.) 10p	105	+1	†t2.5	2.3	3.4	15.2
330	197	‡NMW Computers	285		6.0	3.0	3.0	15.9
65	38	Nash Inds.	40xd		2.5	♦	8.9	♦
47	30	Neil & Spencer 10p	45	–1	—	—	—	19.4
33	13	Newman Industries	17		—	—	—	(9.6)
31	16½	Do. 10pc Cn.Cm.Pf.	21½	+1	10%	—	6.6	—
67	39	Nolton	45	–5	g1.1	4.5	3.5	7.6
183	132	Norcros	183	+2	†7.5	2.4	5.9	9.7
86	55	Nu-Swift 5p	59	–5	†2.4	3.2	5.8	7.7
[illegible]								

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

1984-85 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
288	182	LWT "A"	267		14.4	2.3	7.7	8.1
75	42	Leisuretime Int 10p	62		†1.8	1.3	4.1	(24.9)
		For MME Facilities see Capital TV Facilities						
160	98	Mngmt. Ag. M. 10p	148xd		8.75	1.2	8.4	13.3
179	118	‡Media Tech Int 20p	166	+8	ug2.58	3.9	2.2	16.4
137	76	Medminster 10p	129		4.85	2.6	5.4	8.7
220	138	‡Miss World 10p	195		†3.0	3.5	2.1	17.8
26	15	‡Nationwide Leis.	24½		0.25	2.8	1.5	32.8
46	9	‡Norsk Int 20c	25		—	—	—	—
31½	14½	‡Owners Abroad	22½	–½	0.75	6.1	4.8	4.1
66	33	Photax (Lon.)	42		—	—	—	—
29½	20	‡P'dilly Radio NV 5p	24		1.87	♦	11.6	♦
130	57	‡Pineapple Dnc St 10p	75		d1.5	♦	2.9	♦
420	285	Pleasurama 5p	408		Hq9.2	4.7	3.2	13.9
17½	10½	‡Pres Entertain 10p	17		bq0.02	2.0	0.2	21.6
158	60	‡Radio City 'A' NV	60		5.6	0.9	13.3	21.9
70	50	‡Radio Clyde N/V	53		3.25	2.0	8.8	7.8
148	30	Riley Leisure 10p	49	–1	‡4.2	2.4	‡	4.0
166	94	Saga Hols. 20p	166	+1	†3.75	1.6	3.2	27.8
755	145	Samuelson Grp £1	750		h6.65	3.6	1.3	27.9
32	18	‡Sangers Photo 10p	30	+1	b2.0	1.1	9.5	13.6
153	138	‡Scantro 50p	153	+5	bq3.66	2.2	3.4	18.6
190	98	Scott. TV 'A' 10p	153	+3	†8.1	2.9	7.6	7.1
413	186	SeaCo Inc $0.125	381	–8	—	—	—	—
35	10	‡Select TV 10p	14		—	—	—	—
145	122	‡Spectrum 5p	127		g2.0	4.8	2.2	13.3
[illegible]								

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Finance

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

1984-85 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
[illegible]							
75	31	‡Anglo Utd. Dev.	42	+2	—	—	—
410	210	‡Centennial Min'ls.	335		—	—	—
175	70	‡Colby Res Corp.	70		—	—	—
955	500	Cons. Murch. 10c	500xd		†Q100c	1.4	8.3
37	25	‡Essex Ist. Ir10p	37		—	—	—
252	150	Hampton Areas 10p	177		3.75	2.1	2.8
225	140	‡Highwood Res.	175	+5	—	—	—
£24½	£16	Homestake Mining $1	£19⅞		Q20c	—	0.9
295	135	‡McFinley Red Lake	195	–5	—	—	—
240	101	‡Musto Explorations	230		—	—	—
55	23	‡New Sabina Res C$1	38		—	—	—
365	220	Northgate C$1	300	+5	—	—	—
718	500	RTZ	647	–6	†18.0	2.7	4.0
£155½	£119½	Do. 9½pcLn '95-2000	£159½	–2	Q9½%	35.4	—
£11⅛	850	‡Tara Expin $1	£11⅛	+⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. R Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or –	Stock	Price	+ or –
Albany Inv 20p	88		Arnott	145	
Craig & Rose £1	611	–½	CPI Hldgs.	55	+1
Finlay Pkg. 5p	46		Carroll Inds.	98	+1
Higsons Brew	112		Dublin Gas	65	
Holt (Jos) 25p	840	–10	Hall (R. & H.)	44	
IoM Stm. £1	123	–2	Heiton Hldgs.	15½	
IRISH			Irish Ropes	32	
Exch. 12% 1985	£99		Jacob (W.& R.)	60	
Nat. 9¾% 84/89	£84		TMG	72	
Fin. 13% 97/02	£89¼		Unidare	78	

OPTIONS — 3-month call rates

Industrials	p		p		p
Allied-Lyons	15	GKN	16	Turner Newall	9
BAT	30	Hanson Tst.	22	Unilever	80
BOC Grp.	24	Hawker Sidd	38	Vickers	18
BSR	15	Hse of Fraser	28	**Property**	
Babcock	13	ICI	50	Brit Land	14
Barclays Bank	42	'Imps'	14	Cap Counties	18
Beecham	30	Jaguar	18	Land Secs	24
Blue Circle	46	Ladbroke	28	MEPC	30
Boots	18	Legal & Gen	42	Peachey	24
Bowaters	16	Lex Service	32	Samuel Props.	14
Brit Aerospace	34	Lloyds Bank	42	Sterling Guar.	5½
Brit. Telecom	7½	Lucas Inds.	24	**Oils**	
Brown (J.)	3	Marks & Spcr	10	Brit. Oil & Min	4½
Burton Ord.	32	Midland Bk	35	Brit Petroleum	38
Cadburys	14	NEI	9	Burmah Oil	19
Comm Union	15	Nat West Bk	54	Charterhall	6
Courtaulds	11	P & O Dfd	24	Premier	6
Debenhams	19	Plessey	20	Shell	55
Distillers	24	Polly Peck	25	Tricentrol	22
Dunlop	5	Racal Elect	24	Ultramar	22
FNFC	7	RHM	10	**Mines**	
Gen Accident	42	Rank Org Ord	24	Charter Cons	21
Gen Electric	20	Reed Intnl.	50	[illegible]	42
Glaxo	90	Sears	7	[illegible]	[illegible]
Grand Met	26	TI	18	[illegible]	[illegible]
GUS 'A'	55	[illegible]	8		
Guardian	58	[illegible]	[illegible]		
		[illegible]	[illegible]		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 31

FT UNIT TRUST INFORMATION SERVICE

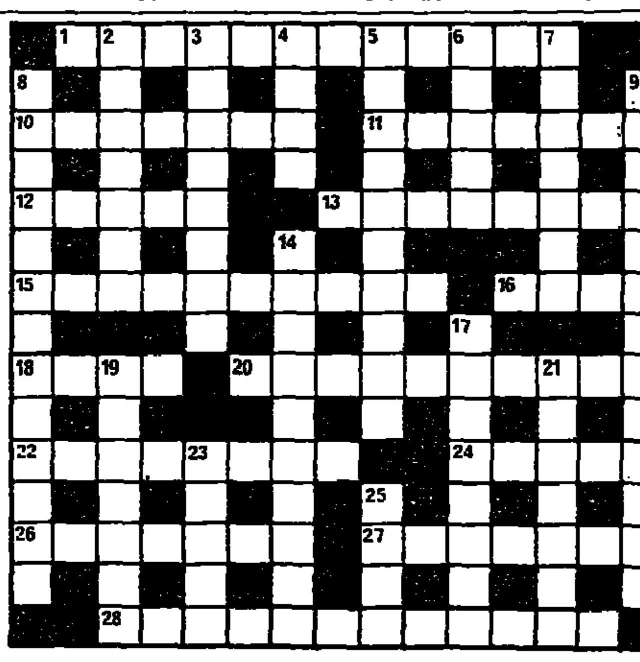
AUTHORISED UNIT TRUSTS

[illegible]

INSURANCES

[illegible]

F.T. CROSSWORD PUZZLE No. 5.626



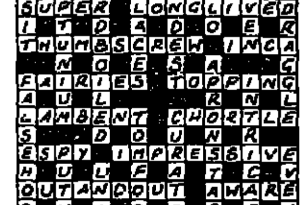
ACROSS

1 Number of the hospital? (12)
10 Including Neil, walking around the ramp (7)
11 View from overhead when on the wing (7)
12 Is to prosecute as a result (5)
13 Exquisite case for such a variety of colour (8)
15 He may be going from one side to another (10)
16 Left in back grate, becomes dim (4)
18 Past performing in a forgotten age (4)
20 Car testing can be arranged for a small amount (10)
22 One in which the officer takes the boy an award (8)
24 The rest of the birds (5)
26 Unchanged by time, the middlemen learnt to adapt (7)
27 The twister split before the fuss (7)
28 He may picture you in hospital (12)

DOWN

2 Where a coin is to be spun (7)
3 Around Ely, Pepsi causes *loss of consciousness!* (8)
4 Row about it standing up (4)
5 From a certain sum, Noel met the wages (10)
6 *Island inhabitants the girl* takes to Holyhead (5)
7 Frivolous VI is in trouble (7)
8 Eccentric gent said "tired" for "shattered" (13)
9 Question what you do with a body on certain religious days (13)
14 Putting cold plaice out is a trifling fault! (10)
17 Spike takes the doctor in a fizzy drink that's sweet (4-4)
19 "Uncle" exploded a red-head "it's one sort of bomb!" (7)
21 Is *dead duck* taken into quarantine? (7)
23 There's nothing up with a man that's wrinkled! (5)
25 Writing about its resistance movement (4)

Solution to puzzle No. 5.625



INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
Station Rd, New Barnet. 01-440 8210
Fund Managers, Touche Remnant & Co

Sel Sec A.	26.1	27.5		—
Blue Chip	27.6	27.8		—
Fixed Yield	19.6	20.7		—
Guaranteed Mny	15.9	16.8		—
Managed	20.7	21.8		—
International	20.4	20.9		—
Property	17.1	18.1		—
Pacific	27.5	23.7		—
Equity	16.3	17.2		—
Special Sits	24.7	26.1		—
Int Currency	14.0	14.8		—
Index Linked Secs.	10.9	11.5		—
American	21.9	23.3		—

Life Assur. Co. of Pennsylvania
8, New Rd, Chatham, Kent. Medway 812348

LACOP Units	14.30	15.02	—

Lloyds Life Assurance
20, Clifton St, EC2A 4HX. 01-920 0202

Multi Gwth Jan 6	£305.916			—
Multi Gwth 'A' Jan 6	276.2	290.8		—
Op 5 Prop Jan 10	262.2	276.0		—
Op 5 Equity Jan 23	371.7	391.3	+1.1	—
Op Hy Jan 17	265.6	279.6		—
Op 5 Man Jan 17	343.0	361.1		—
Op 5 Dep Jan 21	200.9	211.5		11.74
Op 5 Bond Jan 17	187.4	197.3		—
Op 5 Inc Dest Jan 17	143.7	151.3		8.040
Op 5 Int Man Jan 17	211.1	222.3		—
Op 5 US$ Jan 17	167.1	175.9		12.12
Pens 5 Pr Ac Jan 15	344.1	362.3		—
Pens 5 Eq Ac Jan 15	1028.4	1082.6		—
Pens 5 FI Ac Jan 15	383.5	403.7		—
Pens 5 Md Acc Jan 15	603.0	634.8		—
Pens 5 Dp Acc Jan 15	320.6	337.5		—
PensBGart Globe Jan 15	112.9	118.9		—
Pens B Gart NA Jan 15	103.6	109.1		—
PensBGartP Jan 15	122.8	129.3		—

National Provident Institution
48, Gracechurch St, EC3P 3HH. 01-623 4200

Managed	200.0	210.6	−0.5	—
UK Equity	231.0	243.2	−1.9	—
Overseas Eq.	206.0	216.9	+1.4	—
American	207.5	218.5	+1.5	—
Far East	183.4	193.1		—
Property	112.3	118.3		—
Fixed Int.	159.5	167.9	−0.1	—
Indexed Gilt	106.2	111.8	+0.5	—
Deposit	114.0	120.0		—

Pension Fund Prices

Man. Initial	201.8	212.5	+0.1	—
Man Acc.	224.5	236.4	−0.1	—
UK Eq. Initial	218.9	230.5	−0.2	—
UK Eq.	240.4	253.1	−0.2	—
Overseas Eq. Initial	227.7	239.7	+1.0	—
Overseas Eq.	262.2	276.1	+1.2	—
Americas Initial	235.5	246.9	+2.2	—
Americas	259.8	273.5	+2.5	—
Far East Initial	236.6	248.1	−0.1	—
Far East	260.6	274.4	+0.1	—
Prop. Initial	108.2	113.9		—
Prop.	119.3	125.6		—
Fixed Int. Initial	142.7	150.3	+0.1	—
Fixed Int.	156.8	165.1	+0.1	—
Indexed Gilt Initial	99.5	104.8	+0.5	—
Indexed Gilt	109.9	115.7	+0.6	—
Deposit Initial	112.7	128.7	+0.1	—
Deposit	124.8	131.4		—

NPI Pensions Management Ltd.

Managed Fund	536.4	550.2	—

Prices Jan 2. Next dealing February 1

New Zealand Insurance PLC
110/114, Baxter Avenue, Southend. (0702) 344566

Kiwi Key (Managed)	378.8	390.5	+9.8	—
UK Equity	173.4	182.5	+2.2	—
American	265.6	279.6	+5.4	—
Pacific	392.2	411.8	+1.0	—
Property	151.1	161.1		—
Gilt	177.0	186.4	−0.2	—
High Inc. Equity	161.6	170.1	+0.9	—
High Inc. Fxd. Int.	101.4	106.7	+0.2	—

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

NOTES

COMMODITIES AND AGRICULTURE

Orange juice futures up again

By Richard Mooney

TRADING was prevented on the New York organge juice futures market again yesterday when all contract positions opened 5 cents a pound higher, the permissible daily limit.

This has happened every day since a heavy frost struck the Florida citrus groves last weekend, causing severe damage to the growing crops.

Traders hoped, however, that open trading would resume today. Under the exchange's rules the limit will widen to 8 cents a pound and many traders believe this will be more than enough to accommodate the market's upward potential.

Some were pointing to expectations of a bigger Brazilian crop this year and arguing that the price rise had already been overdone. There was general agreement that the March position. standing at 179.25 cents a lb, would not test the November 1977 record of 210 cents.

The freeze continued on tures were not as low as earlier in the week. Accu-weather, a Tuesday night but temperaprivate forecaster, predicted that temperature would moderate quickly over the next few days.

Brazil is almost certain to increase its frozen concentrated orange juice price, but it may wait to assess damage to Florida's citrus crop caused by the freeze, according to New York analysts, Reuter reports.

McHans Krauss, president of the Brazilian Citrus Industries Association, said in Sao Paulo that he did not expect any immediate change in the minimum export price, because previously Brazil had been meeting market resistance at this level. Nonetheless, analysts said a frozen concentrated orange juice increase by Brazil was a virtual certainty.

According to unofficial estimates, 30 to 50 per cent of Florida's citrus crop was destroyed in this week's freeze, and whatever is lost in Florida will have to be compensated for by imports from Brazil.

Tough action on surpluses urged

BY OUR COMMODITIES STAFF

THE Organisation for Economic Co-operation and Development has called for concerted action to counter the growing problem of agricultural surpluses, involving market-oriented pricing policies and if necessary production quotas.

The Paris-based organisation says in a report published yesterday that present policies, coupled with technical progress, are encouraging supplies to grow beyond any potential rise in commercial demand.

To combat the problem, prices should be allowed to find their natural level, the report says. Where this would result in too drastic a price cut, production quotas could also be introduced. However, the OECD warns that where quotas exist, prices sehould be set at levels low enough to prevent the system becoming permanent.

The report comes as a timely reminder to the U.S. and the EEC that their difficulties with farm surpluses will worsen in the medium-term if they fail to take co-ordinated action.

The OECD paints a gloomy picture of demand and supply in its 24 member countries. Demand for farm produce is already high and unlikely to be much affected by the economic recovery, it says.

As to developing countries, even if the recovery spreads to them, the chances of their increasing food imports are less certain than in the 1970s because of their indebtedness.

On other possible market outlets, the report says that the Soviet Union's import requirements will reach a record high this crop year, particularly for cereals, and that this will help relieve the surplus on world markets. In the medium term, however, this outlet seems uncertain and unstable, it says.

China, another big OECD customer, is also reducing its imports because of favourable crop conditions and a reform of its agricultural policy.

Turning to individual sectors, the study says that DECD dairy output is unlikely to be reduced to the level of commercial demand in domestic and export markets. The same applies to cereal production, where technical progress will thwart policies designed to limit production.

On sugar, the report says the price on the world market has fallen so low that significant production adjustments are likely. The market will remain under increasing pressure from substitute products.

$ futures contract plan

BY JOHN EDWARDS IN NEW YORK

THE New York Stock Exchange plans to introduce a U.S. dollar index futures contract. The exchange said yesterday that the contract—which has to be approved by the Commodity Futures Trading Commission—would provide an opportunity to hedge or speculate against changes in the value of the dollar.

The index for the futures contract will be based on the U.S. Federal Reserve Board's trade-weighted dollar index, which is calculated against a rencies, the Japanese yen and the Canadian dollar.

Mr Paul Jones, chairman of basket of eight European cur- the exchange's index committee, said the dollar index would have the advantage of being calculated once a minute throughout the trading day on the Cotton Exchange and should provide a highly effective hedging mechanism for companies and financial institutions doing business throughout the world.

Mr A. G. Reinhardt, chairman of the exchange, said they were taking the unprecedented step of allowing trading in the contract by all members of the Commodity Exchange Centre in New York which includes the New York Mercantile Exchange, Comex (the metals exchange), and traders in coffee, sugar and cocoa futures.

Commodity prices show fall in second half

By Nancy Dunne in Washington

THE Rise in non-oil commodity prices in the first half of last year was followed by a sharp fall in the second half. They fell by 7 per cent in the third quarter and by 3.5 per cent terms, according to the Interin the fourth quarter in dollar national Monetary Fund.

For the year as a whole, average dollar prices of nonoil commodities rose by 2.4 per cent against 7.8 per cent in by 6.8 per cent last year.

1983. In SDR terms, prices rose

The IMF's overall index of non-oil commodity prices ended ness. Lower prices were relast year on a note of weakcorded for most of the 30 commodities included in the index beef, wol and nickel were the exceptions—and sugar prices

Wholesale prices of metals fell in dollar terms by 2.3 per dropped sharply.

cent from November to December and by 7.3 per cent for the year. Copper prices fell by 13.4 per cent over the year.

LME appoints chief executive

MR MICHAEL BROWN has resigned as chairman of the London Metal Exchange Committee and accepted an appointment as chief executive of the Metal Market and Exchange Company, which owns the exchange.

Mr Brown is chairman of Lonconex, the long-established London commodity company which recently announced that it was withdrawing from all its commodity trading activities.

Guyana sugar output down

STRIKES IN mills and fields, and poor weather throughout the year, led to a 7.6 per cent decline in sugar output in Guyana last year, according to the state-owned Guyana Sugar Corporation.

The two harvests yielded a total of 241,851 tonnes, 43,000 tonnes below the target set by the industry.

A correspondent describes an attempt at agricultural regeneration

Uganda makes a slow recovery

REHABILITATION is still the name of the game in Uganda following the disastrous Amin regime and the Liberation War of 1979. Schemes for the rehabilitation of almost every activity have been introduced. The tide has turned but the target in most cases—a recovery to the 1970 level—still looks remote.

Agriculture dominates the country, employing more than 90 per cent of the population. The emphasis is therefore on the regeneration of this sector and, in particular, on the regeneration of export crops.

In the early 1970s the production of coffee averaged 200,000 tonnes a year, with robusta types grown in the fertile crescent around Lake Victoria and higher quality arabicas in the hill areas, such as Mount Egmont. It dropped to 100,000 tonnes in 1981 but has since recovered to provide exports of 166,000 tonnes in 1983.

A coffee rehabilitation project, costing $83.4m (£75m), is being backed by the EEC, the African Development Bank and the International Development Association, the soft loans agency of the World Bank. It is aimed at greater production, improved quality and the re-establishment of the processing industry.

Export prospects are, however, constrained by the International Coffee Agreement quota of 2.3m bags (138,000 tonnes), a figure now being challenged. It was based on questionable 1981 production estimates and is well below traditional levels of 3.3m bags. Coffee accounts for 95 per cent of exports and 30 per cent of tax revenue, and so has a high priority.

Cotton, the second most important export crop, was hit more severely. Production dropped sharply from 80,000 tonnes a year in the early 1970s, and was still at only 9,700 tonnes in 1983. Attempts are being made to improve yields and a ginning rehabilitation project is under way. The hope is to get production up to 65,000 tonnes, by the end of the decade.

The output of tea used to be 22,000 tonnes a year but in 1983 onlq 3,000 tonnes was produced. Ownership disputes over abandonned tea estates are still unresolved and the industry infrastructure needs to be rehabilitated. The old levels of production are unlikely to have been restored by the end of the decade.

In the sugar industry, imports have replaced exports.

Security seems to have improved, although the rattle of gunfire at night in Kampala is not unusual — originating more usually from undisciplined soldiery than from guerilla clashes.

President Milton Obote points to recent progress, but shortages of certain key items can hold up a generally improving trend. Gross domestic product grew by 4 per cent in 1981 and by 8 per cent in 1982 but has slowed a little since.

Dr J. J. Otim, Minister of Animal Industry, provides an example of rehabilitation directed at domestic needs. The main aims of his ministry, he says, are poultry production, with its potential for quick growth; improving fish output from the lakes, again with the expectation of a speedy yield of food; and at rehabilitating the dairy sector.

At the end of the 1960s Uganda dairying had just established itself with two new plants at Kampala and Mbale, a network of some 40 collecting centres, and a dairy corporation to run it all. It was then collecting some 20m litres of milk a year.

The system disintegrated, but with the help of the World Food Programme the plants and many of the collecting centres are now operating again and milk collections are creeping up towards 4m litres this year.

It is recognised that the farmers need price incentives but those for milk are only just being improved. The World Food Programme provides skim milk powder and butter oil which, when recombined to produce milk, generate funds for development and temporarily boost supplies for Kampala.

There is, therefore, still some way to go. This was demonstrated by the calculations of a recent World Bank Mission. Uganda has a population of 14.1m; with the rural population growing by 2.9 per cent and agricultural GDP rising annually by 5 per cent, the mission calculated that rural GDP would not regain its 1970 level until about the year 2000.

UK coal imports may aid cereal sales

BY JOHN BUCKLEY

THE RAPID growth in coal shipments from the Eastern bloc to the UK has had a significant impact on Britain's cereal export campaign, according to brokers and shippers.

They note that small ports around the south and east coasts of the UK received a large number of coal vessels in November and December, mostly carrying Polish cargoes to supplement UK supplies depleted by the miners' strike.

Shippers say the hard currency earned from this trade could be reflected in further substantial cereal shipments to Eastern bloc countries. Earlier this season these countries were written off as a no-growth area because of credit difficulties.

Traders are in no doubt that Poland wants to import more grain if the cash can be found to pay for it. To avoid having to use foreign exchange earnings to help make its regular payments to the International Monetary Fund, Poland is believed to have arranged at least one major "contra-trade," or barter in coal for grain, last October or November.

Some traders believe another such deal is underway and that it will probably be for wheat. They note that Poland had already lifted 70,000 tonnes of British wheat up to December 21 against nil at the same time last season. There has been speculation that this trade could exceed 100,000 tonnes of wheat, even before further deals are struck.

Meanwhile, the Soviet Union seems to have circumvented the political gulf which made Britain a cereal supplier of last resort in recent seasons. Exports of wheat and barley have now reached 426,000 tonnes and shippers are convinced that barley trade alone will exceed 500,000 tonnes by the spring.

The Soviet Union is still likely to show preference to France among her EEC wheat suppliers, however, not just on grounds of quality but in view of their long-standing grain trade relationship. The Soviet Union is also very price-conscious, encouraging some observers to forecast that it will mop up remaining surpluses of Argentine wheat which is still cheaper than that from other origins.

East Germany, with its larger domestic cereal crops, has cut imports of British wheat.

Copper prices fall sharply

COPPER PRICES fell sharply on the London Metal Exchange yesterday with the cash quotation ending £14.75 at £1,231.75 a tonne.

Dealers attributed the decline to "stale bull liquidation" following the recent £80 advance. Stop-loss orders were triggered when the three months delivery price fell beyond a chart support point at £1,240 a tonne.

The market steadied in the afternoon, helped by news that Cipec (the Intergovernmental Council of Copper Producing Countries) will consider techniques for co-ordinating market intervention at a meeting next month.

Lead and zinc prices were also lower, but nickel moved to a new peak after news of the sabotage of a New Caledonia smelter.

LONDON MARKETS

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1231-2	-18.7	1231.5-2	-14.7
3 months	1246.5-7	-6.5	1236-5-7	-12.7
Settlem't	1232	-18.5	—	—
Cathodes				
Cash	1217-8	-26.5	1216-7	-14.5
3 months	1237-8	-22.8	1225-6	-14.0
Settlem't	1218	-26.8	—	—

Amalgamated Metal Trading reported that in the morning Three month higher grade traded at £1238, 37.5, 37, £1232, three months £1236, 37, 36.5, 37. Cathodes: Three months £1226, 27. Kerb: Higher Grade: Three months £128, 39, 40, 39, 39.5, 39. Afternoon: Higher Grade, three months £1234, 33, 34, 35, £1238, 37.5, 38, 38.5, 38, 37.5, 37. Cathodes: Three months £1224, 25. Kerb: Higher Grade, three months £1237, 38, 37.5, 38. Turnover: 24,875 tonnes. U.S. Producers: 64.00-69.00 cents per pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9735-45	-27.5	9750 60	+15.0
3 months	9690 700	-30.0	9700-10	-20.0
Settlem't	9745	-25.0	—	—
Standard				
Cash	9735 45	-27.5	9750 60	+15.0
3 months	9670 5	-37.5	9680 90	+12.5
Settlem't	9747	-25.0	—	—
Straits E.	$29.15	—	—	—

Tin—Morning: Standard, three months £9650, 40, 45, £9655, 60, 70, 60, 55, 50, 60, 70. Kerb: Standard, three months £9680, 90, 95. Afternoon: Standard, three months £9690, 75. Kerb: Three months £9690. Turnover: 1,370 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	372 3	-17.0	370 2	-3.0
3 months	349-50	+6.75	344.5 5	-4.0
Settlem't	373	+3.0	—	—

Lead—Morning: Three months £360, 59, 58, 59, 58.5, 57.5, 58, cash £373, 72, 71, 70, 71, 72, three months £356, 54, 53, 52, 51, 50. Kerb: Three months £349, 48, 47. Afternoon: Three months £347, 46, 45, 46, 45.5, £346.5, 46, 45, 44. Kerb: Three months £346, 45, 46, 47. Turnover: 28,075 tonnes. U.S. Spot: 20.00-22.00 cents per pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	727 9	-9.25	728-.5	-8.75
3 months	725-6	-7.0	725.5-6	-7.5
Settlem't	729	-8.5	—	—

ZINC—High Grade Official/Unofficial prices: Cash am £766-£770, pm £776-£777, three months am £758-£762, pm £766-£767. Settlement. £770.

Zinc—Morning: Three months £729, 28.5, 28, 27, £725. Kerb: Three months £725, 27. Afternoon: Three months £726, £720. High Grade: Cash £777. Kerb: Three months £726. Turnover: 8,250 tonnes. U.S. Prime Western: 43.00-45.75 cents per pound.

ROTTERDAM

WHEAT—(U.S. $ per tonne): U.S. two soft red winter Feb 165, March 164.50, April 164. U.S. Northern spring 14 per cent protein mid-Jan/mid-Feb 182, Feb 182, March 183.50, April/May 168, June 169, July 169.50. U.S. northern spring 15 per cent protein spot 196, April/May 184. U.S. three hard amber durum April/May 182, June 193.50, Sept 182.50. Canadian one western amber durum April/May 193.50.

MAIZE—U.S. three yellow afloat 137, Jan 136, Feb 135.50, March 133.50, April/June 134, July/Sept 135 sellers. Argentine Plate March 133, April 132, April/June 131 sellers.

SOYABEANS—(U.S. $ per tonne): U.S. No 2 yellow Gulfports afloat 247, Feb 245.60, March 244.90, April 244.50, May 246, June 247.50, July 248.30, Aug 249.50, Oct 243, Nov 243 sellers.

SOYAMEAL—(U.S. $ per tonne): 44 per cent. Afloat 169, Jan 169, Feb/March 168, April/Sept 167 sellers. Pellets Brazil afloat 185, Jan 177.50, Feb 180, March 175, April and May 167.50, April/Sept 170, sellers. Pellets Argentine, afloat 172, Jan 172, Feb 173.50, March 13, May/Oct 167 sellers.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

	Jan. 23 1985	+ or —	Month ago
METALS			
Aluminium	£1100		£1100
Free Mkt	$1150/1180	-25	$1180/1210
Copper			
Cash h Grade	£1231.75	-14.75	£1135.25
3 mths	£1236.75	-12.75	£1146.75
Gold troy oz	$301	-4.75	$310.875
Lead Cash	£371	-3	£399.5
3 mths	£344.75	-4	£354.75
Nickel	£5816		£5967
Free Mkt	227/257c		219/249c
Palladium oz	$120.75	-2.5	$130.00
Platinum oz	$269.00	-4.25	$292.75
Quicksilver†	$295/305		$300/310
Silver troy oz	540.85p	-13.95	547.85p
3 mths	556.35p	-13.95	559.85p
Tin cash	£9765	+51	£9947.5
3 mths	£9685	+12.5	£9907.5
Tungsten	$83.85	+1.83	$83.51
Wolfram 22 04lb	$64/68		$74/76
Zinc	£728.25	-8.75	£681
3 mths	£725.75	-7.5	£681.5
Producers	$900		$900

	Jan. 23 1985	+ or —	Month ago
OILS			
Coconut (Phil)	$840y	-25	$940
Palm Malayan	$580z	+5	$580
Seeds			
Copra Phil	$540u		$569
Soyabean (U.S.)	$251.60	-3.40	$246.5
GRAINS			
Barley Fut. Mar	£114.25	+0.05	£113.45
Maize	£148.50		£146.50
Wheat Fut. Mar	£113.25	-0.10	£113.20
No2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. May	£2095.5	+16	£185
Coffee Ft. Mar.	£2415.5	+23	£226
Cotton A index	70.95c	+0.20	72.002
Gas Oil Feb.	$222.5	-1.75	$222
Rubber (kilo)	64p		63p
Sugar (raw)	$104yw	-5.5	$98
Wooltops 64s	514p kilo	+2	487p kilo

‡ Unquoted. z Feb. w Mar. u Feb-Mar. y Jan-Feb. v Mar-April. † Per 75-lb flask. n Nominal. c Cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	978-9	-17.5	977.5-8.5	-11.5
3 months	1007.5-8	-17.5	1007-.5	-11.2

Aluminium—Morning: Three months £1009.5, 09, 09.5, 10, 09.5, 09, £1010, 09, 08. Kerb: Three months £1008, 09, 10, 11, 12. Afternoon: Three months £1005, 04, 05, £1007, 08, 08.5, 08, 07, 07.5, 07. Kerb: Three months £1009, 08, 09, 09.5. Turnover: 16,500 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. unofficial	+ or —†
Spot	4520-5	+27.5	4505-10	+7.5
3 months	4490 3	+19.0	4489 90	-25.5

Nickel—Morning: Three months £4470, 74, 75, cash £4525, 20, three months £4485, 90, 95. Kerb: Three months £4500, 4495. Afternoon: Three months £4505, 4500, 4495, 90, 95, £4490, 85, 90, 89, 90. Kerb: Three months £4490, 95, 4500, 10, 15. Turnover: 1,896 tonnes.

GOLD

Gold fell $4¾ to $300¾-301¼ on the London bullion market yesterday. It opened at $302½-303 and was fixed at $302.15 in the morning and $300.25 in the afternoon. The metal touched a peak of $303-303½ and a low of $299½-300.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Jan.	—	—	—
Feb.	300.20-00.50	-7.55	305.00-00.20
April	303.00-04.00	-7.95	306.50

Turnover: 212 (791) lots of 100 troy ounces.

GOLD BULLION (fine ounce) Jan. 23

Close	$300¾-301¼	(£270½-270¾)
Opening	$302½-303	(£270¼-270½)
M'n'g fix	$302.15	(£269.777)
Aft'n'n fix	$300.25	(£269.403)

GOLD AND PLATINUM COINS

Kr'g' r'nd	$310½-311¼	(£279-279¾)
½ Krug.	$160-161¼	(£143¾-144½)
¼ Krug.	$81½-82¼	(£73¼-74)
1/10 Krug.	$33¼-34	(£29¾-30½)
Mapleleaf	$310½-311¼	(£279-279¾)
New Sov.	$71-71½	(£63¾-64¼)
½New Sov.	$43¼-44	(£38¾-39½)
Old Sov.	$71½-73	(£64¼-65¼)
$20 Eagle	$460-490	(£413¼-440¼)
Noble Plat	$276½-273¾	(£248½-258½)

SILVER

LME—(2,000 oz contract): cash 535.5p (553.5p); three months 551.5p (569.5p). Turnover: 0 (0).

Turnover: 47 (80) lots of 10,000 oz. Morning: large 2nd ring cash 541, three months 556.5. Kerb: untraded. Afternoon: large 1st ring three months 550.5, 2nd ring three months 551. Kerb: large three months 551, 50.

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	540.85p	-13.9	535.5p	-18
3 months	556.35p	-13.8	551.5p	-18
6 months	572.05p	-13.2	—	—
12 months	602.20p	-13.3	—	—

Silver was fixed 13.95p an ounce lower for spot delivery in the London bullion market yesterday at 540.85p. U.S. cent equivalents of the fixing levels were: spot 604.5c, down 20.5c; three-month 616.3c, down 20.95c; six-month 630.20c, down 21.05c; and 12-month 660.45c, down 22.25c. The metal opened at 542-545p (607-610c) and closed at 536½-539½p (597-600c).

COCOA

For much of the day futures traded in a narrow range about £14 lower but a strong rally during the late afternoon produced a firm close, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	2082 2083	+8.5	2089-2060
May	2095-2096	+16.0	2107 2068
July	2085 2086	+16.5	2095 2064
Sept	2082 2083	+15.5	2094 2054
Dec	2000 2002	+18.0	2005-1975
Mar	1996-2000	+20.6	1998-1978
May	1994-2000	+24.5	1980

Sales: 4,396 (5,677) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for January 23: 101.17 (101.84); five-day average for January 24: 101.94 (101.85).

COFFEE

During a fairly active opening commisison house buying produced gains of £13-£16, reports Drexel Burnham Lambert. Prices eased slightly before further support encouraged a trade-inspired rally. Values settled off the highs on late profit-taking.

COFFEE	Yesterd'ys Close	+ or —	Business Done
January	2393-94	+30.0	2393-74
March	2415-16	+23.0	2425-97
May	2420 22	+33.0	2430 98
July	2430 34	+34.5	2435 08
Sept	2430 37	+32.5	2440 08
Nov.	2435 42	+36.5	2440-10
Jan	2435 43	+40.0	2440-15

Sales: 4,512 (2,479) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for January 22: Comp. daily 1979 137.59 (137.14); 15-day average 134.72 (134.48).

INDICES

FINANCIAL TIMES

Jan. 22	Jan. 21	M'th ago	Year ago
298.24	298.98	—	295.79

(Base: July 1 1952 = 100)

REUTERS

Jan. 23	Jan. 22	M'th ago	Year ago
1996.0	2003.4	1909.6	1995.8

Base: September 18 1931 = 100)

MOODY'S

Dec. 27	Dec. 19	M'th ago	Year ago
965.9	966.4	—	140.42

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Dec. 27	Dec. 19	Month ago	Year ago
Spot	121.99	122.83	—	140.42
Fut.	124.33	123.66	—	143.53

(Base: December 31 1974 = 100)

GRAINS

Wheat came under pressure on unfulfilled shipping contracts and lack of physical demand but bounced from the lower levels on profit-taking. Barley and new crops remained quietly steady, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterd's close	+ or —
Jan.	111.90	-0.50	112.00	-0.50
Mar.	113.25	-0.10	114.25	+0.05
May.	116.80	-0.20	116.75	+0.05
July.	118.75	-0.05	—	
Sept.	90.00	+0.05	98.75	-0.05
Nov.	102.20	-0.05	102.05	-0.05

LONDON GRAINS—Wheat: U.S. dark northern spring no 1 14 per cent Feb 176.75, Mar 177.75, April/May 164.75 seller transhipment east coast. U.S. no 2 soft red winter Feb/April 162.25. English feed fob Jan/Feb 114, Mar 115, April/July 118.15 sellers. Maize: U.S. no 3 yellow/French Jan 148.50 quoted transhipment east coast. Barley: English feed fob Jan 116.50, Mar 115, April/June 18.15 sellers east coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: E. Mids 112.10, N. East 113.10, Scotland 111.40. The UK monetary coefficient for the week beginning Monday January 28 will remain unchanged.

Business done—Wheat: Jan 110 90 only, Mar 113 35-3 00, May 116 85-6.65, July 118 65 only, Sept 99.00-8.90, Nov 102.20 only. Sales: 333 lots of 100 tonnes. Barley: Jan 112.50-2 00, Mar 114.30-4.20, May 116 80-6.70, Sept 98.75 only, Nov untraded. Sales: 50 lots of 100 tonnes.

PIGMEAT

After a weak opening prices rallied during the afternoon to finish on the highs, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Feb.	111.60	111.60	111.60-110.30
April.	107.70	108.10	107.70-106.50
June.	105.50	105.90	105.60-105.20
Aug	102.70	103.30	102.70-102.50
Oct.	109.30	109.60	109.00
Nov.	109.80	110.10	—

Sales: 98 (127) lots of 50 carcases, 3,250 kg.

POTATOES

Continued short-covering lifted values briefly during early trade but selling interest at £56.00, basis April, was keen and prices drifted lower, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb.	45.50	47.30	46.00 45.10
April	55.20	55.60	56.10 54.90
May.	58.40	58.60	59.20 58.00
Nov.	70.00	67.30	—
Feb.	80.00	78.00	80.00

Sales: 272 (149) lots of 40 tonnes.

OIL

Activity concentrated on forward Brent which fell steadily in confused trading. Nymex WTI opened 30c down and fell further but by 1 pm EST it had recovered to its opening level. In the petroleum products market February gas oil weakened again by $3-5 a tonne despite continued French buying interest. Heavy fuel prices were stable with good supply from the Caribbean and Middle East balancing steady demand in the UK—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arab Light	27.80 27.85	-0.075
Arab Heavy	26.60 26.80	-0.05
Dubai	27.30-27.40	—
Brent Blend	26.90 27.00	-0.225
W.T.I. (1pm est)	25.50-25.55	-0.40
Forcados (Nigeria)	27.30-27.55	-0.10
Urals. (cif NWE)	—	—
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	229-231	—
Gas Oil	229 231	-9
Heavy fuel oil	185-187	-1

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan	228.75	-3.25	228.75-25.00
Feb	222.50	-1.75	223.25-20.25
March	216.50	-1.25	217.00-15.25
April	211.50	-0.25	211.50-10.00
May	208.25	-0.25	209.50-08.00
June	207.75	-2.50	207.75-06.00
July	206.50	-4.00	207.00-06.00

Turnover: 4,511 (3,505) lots of 100 tonnes.

RUBBER

PHYSICALS—The London market opened unchanged, prices were marked up due to the decline in sterling but little physical interest was noted, reports Lewis and Peat. Closing prices (buyers): Spot 64.00p (same); Feb 75.00p (74.00p); March 75.50p (74.50p). The Kuala Lumpur Feb fob price for RSS No 1 192.5 (191.5) and for SMR 20 was 183.0 (182.5).

SOYABEAN MEAL

The market opened 50p lower in quiet trading conditions, reports T. G. Roddick. Active trading occurred in the afternoon with commission house sellers prominent.

	Yesterday close	+ or —	Business Done
	£ per tonne		
Feb.	150.0 152.5	-1.06	—
April	149.8-150.5	-0.65	151.0-150.0
June	147.5 148.5	-0.70	148.0
August	149.0-148.5	-1.80	149.5-148.5
October	149.0 149.9	-0.90	150.0
Dec.	158.0-151.9	-1.25	—
Feb	150.0-154.0	-1.25	—

Sales: 317 (302) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $104.00 (£93.00), down $5.50 (down £4.00) a tonne for Jan-Feb-Mar delivery. White sugar $141.00, down $5.00.

Prices moved $2 during the morning but gains of $4 were recorded after New York prices bounced suddenly off the previous contract lows, reports C. Czarnikow.

No.6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Mar.	124.0-124.2	122.9-123.0	123.4-117.6
May.	131.0-130.2	130.6-130.8	131.4 124.8
Aug.	141.6 141.8	140.2-140.9	140.6 136.4
Oct.	149.0-148.2	147.8-148.0	149.8-142.4
Dec.	164.8 158.4	153.6-155.0	150.6-150.0
Mar.	170.0-171.2	168.0-168.8	168.4-165.0
May.	174.0-178.0	174.0-176.0	174.0-171.8

Sales: 3,696 (3,434) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £200.00 (£205.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for January 22: Daily price 3.63 (3.64); 15-day average 3.54 (3.51).

U.S. MARKETS

HEATING OIL prices were sharply lower on continued long liquidation as weather showed further signs of moderating, reports Heinold Commodities. Rumours that Opec was cutting crude oil prices by $2.50 added to the pressue manifesting the lack of confidence in market fundamentals. Soyabeans generated good support on the close after trading lower most of the day. The support came from the soya oil market which developed strong premiums in the spot market. Maize was fractionally lower on signs of better country movement. Wheat was basically unchanged after early breaks in price attracted commission house and professional buying. Weak energy prices and the small increase in the Consumer Prices Index continude to pressure precious metals. Copper and aluminium were under pressure from dealer selling and commission house liquidation. Sugar value recovered on renewed commission house buying prompted by the ability to hold above contract lows as trade support developed. Cocoa was steady reflecting light support from demand considerations. Coffee, after showing a firm tone on aggressive short-covering, settled mixed on the possibility that the Brazilian Coffee Institute will release stocks. Cotton remained under pressure on slack mill demand and technical selling.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Jan	49.30	—	—	50.20
Feb	49.40	—	—	50.35
March	49.80	49.95	49.25	50.75
May	50.55	50.65	50.00	51.50
July	51.30	51.20	51.15	52.25
Sept	52.05	—	—	53.00
Dec	53.20	—	—	54.15
Jan	53.55	—	—	54.50
March	54.35	—	—	55.30
May	55.15	—	—	56.10

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	2166	2188	2158	2174
May	2184	2199	2178	2194
July	2177	2185	2165	2180
Sept	2160	2164	2154	2167
Dec	2090	2094	2085	2098
March	2087	2092	2085	2100
May	2087	—	—	2100

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	150.24	52.10	49.71	49.71
May	146.17	47.90	45.60	46.07
July	143.40	44.75	43.10	43.14
Sept	141.24	42.61	41.10	41.11
Dec	139.90	40.70	39.90	39.60
March	138.53	39.30	39.30	38.40
May	137.13	38.30	38.30	37.03

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	59.70	—	—	60.65
Feb	59.75	—	—	60.70
March	60.10	60.45	59.80	61.05
May	60.40	60.70	60.15	61.30
July	60.65	60.90	60.30	61.50
Sept	60.85	61.05	60.70	61.70
Dec	61.25	61.45	61.20	62.00
Jan	61.35	—	—	62.10
March	61.60	61.75	61.65	62.40
May	61.90	62.10	61.80	62.65

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	65.96	66.00	65.55	65.85
May	67.08	67.08	66.60	66.87
July	67.80	67.85	67.52	67.80
Oct	67.70	67.70	67.53	67.41
Dec	67.65	67.70	67.50	67.50
March	68.85	69.05	68.90	68.70
May	69.50	—	—	69.50
July	70.00	—	—	70.00

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
March	25.24	25.40	25.02	25.56
April	25.04	25.19	24.85	25.34
May	24.85	24.98	24.65	25.22
June	24.70	24.80	24.60	25.12
July	24.55	24.55	24.50	25.06
August	24.50	24.50	24.41	25.04
Sept	—	—	—	25.04
Oct	—	—	—	25.04
Nov	24.40	24.40	24.40	25.04
Dec	24.70	24.70	24.70	25.04

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	301.4	301.2	300.0	303.5
Feb	301.7	302.4	299.5	303.9
March	303.5	304.0	301.0	305.7
April	305.2	306.0	302.5	307.6
June	309.4	310.0	307.5	311.9
August	313.7	314.5	311.9	316.3
Oct	318.1	—	—	4320.9
Dec	322.9	323.8	321.0	325.9
Feb	328.0	327.0	327.0	331.1
April	333.2	332.5	332.0	336.4
June	338.8	339.0	336.0	342.1
August	344.7	—	—	348.1
Oct	350.8	—	—	354.3

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Feb	75.60	76.30	74.60	76.05
March	70.60	71.00	69.60	71.39
April	66.75	66.80	65.70	66.96
May	65.50	65.50	64.85	65.83
June	64.50	64.80	64.00	65.25
July	65.50	—	—	65.80

ORANGE JUICE 15,0000 lb, cents/lb

	Close	High	Low	Prev
March	179.55	79.55	79.55	74.55
May	180.25	80.25	80.25	75.25
Sept	178.50	78.50	78.50	73.50
Nov	176.50	76.50	76.50	71.50
Jan	176.50	—	—	71.50
March	176.50	—	—	71.50

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	4.29	4.30	4.05	4.12
May	4.69	4.69	4.42	4.50
July	5.07	5.08	4.80	4.88
Sept	5.30	5.30	5.12	5.15
Oct	5.49	5.30	5.21	5.39
Jan	5.96	5.91	5.76	5.79
March	6.44	6.45	6.18	6.28
May	6.70	6.70	6.44	6.56

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Jan	599.0	—	—	610.9
Feb	599.5	—	—	511.2
March	603.5	610.0	598.5	615.3
May	611.8	618.0	605.0	623.9
July	620.5	628.0	613.0	[illegible]
Sept	630.0	636.0	628.0	642.6
Dec	646.3	652.0	638.0	658.2
Jan	650.5	—	—	662.6
March	661.0	665.0	665.0	674.3
May	672.5	672.0	672.0	[illegible]

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	271.1	267.5	266.5	267.3
April	274.3	275.0	268.5	271.0
July	278.5	277.5	274.0	276.2
Oct	283.3	283.0	279.5	280.5
Jan	289.1	286.0	286.0	286.2

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	65.00	65.02	64.57	64.57
April	67.17	57.20	66.70	66.75
June	67.57	67.60	67.22	67.20
August	65.37	64.46	66.00	65.07
Oct	63.72	63.85	63.62	63.52
Dec	65.07	65.07	64.98	64.97

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	51.77	51.87	51.30	51.30
April	48.72	48.85	48.35	48.30
June	53.97	54.00	53.65	53.67
July	54.47	54.50	54.15	54.27
August	53.22	53.45	53.10	53.07
Oct	49.20	49.30	48.90	48.10
Dec	49.25	49.30	49.10	48.30
Feb	49.05	49.05	49.05	48.80
April	46.45	46.45	46.45	46.45

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
March	270.4	271.0	269.4	271.0
May	276.0	276.6	275.6	277.2
July	279.2	279.4	278.2	279.6
Sept	273.0	273.6	273.0	274.0
Dec	267.6	268.2	267.4	268.4
March	277.6	278.2	277.4	278.4
May	284.0	284.2	283.6	284.6

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	70.62	70.90	69.45	69.15
March	71.02	71.20	70.00	69.60
May	72.60	72.60	71.55	71.17
July	73.20	73.45	72.45	71.97
August	71.42	71.90	70.92	70.60
Feb	65.97	66.60	65.95	64.77
March	66.25	66.25	66.25	65.02

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	601.0	601.6	592.0	598.4
May	612.0	612.4	603.4	607.4
July	620.6	621.0	612.6	616.6
August	622.0	622.0	614.4	617.0
Sept	615.4	615.4	610.0	611.0
Nov	617.0	617.4	611.4	613.2
Jan	629.4	629.4	625.4	626.6
March	643.0	643.0	639.0	640.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
March	143.7	143.8	142.0	143.7
May	149.3	149.4	147.5	149.0
July	154.2	154.2	152.4	153.8
August	156.0	156.0	155.0	156.2
Sept	158.0	158.0	156.5	157.5
Oct	159.5	159.5	158.2	158.1
Dec	164.5	164.5	163.5	164.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
March	26.66	26.76	25.92	[illegible]
May	26.18	26.25	25.45	[illegible]
July	25.82	25.90	25.10	25.4[illegible]
August	25.42	25.45	24.90	25.2[illegible]
Sept	25.30	25.30	24.83	25.0[illegible]
Oct	24.75	24.75	24.25	[illegible]
Dec	24.13	24.30	23.90	24.0[illegible]

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	349.4	349.8	347.6	349.[illegible]
May	344.0	344.2	342.4	343.[illegible]
July	334.0	334.2	332.6	333.[illegible]
Sept	335.2	335.6	334.4	335.[illegible]
Dec	345.6	346.0	344.6	345.[illegible]
March	349.4	—	—	349.[illegible]

SPOT PRICES—Chicago loose lard 24.50 (same) cents per pound. New York tin 492.0-505.0 (496.0-508.0) cents per pound. Handy and Harman silver bullion 596.5 (618.0) cents per troy ounce.

OTHER MARKETS

PARIS

COCOA—(FFr per 100 kg): March 2216-2228, May 2238-2250, July 2230 bid, Sept 2230 bid, Dec 2170 asked, March 2125 bid, May 2125 bid.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 587.0, 589.0, untraded; May 592.0, 593.0, 593.0-592.5; July 597.0, 599.0, 589.0; Oct 587.0, 590.0, untraded; Dec 590.0, 595.0, untraded; March 595.0, 601.0, untraded; May 600.0, 604.0, untraded; July 609.0, 610.0, untraded. Sales: 6.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Jan 518 seller only, nil; Mar 514, 518, 518-516; May 524, 526, 527-526; Aug 544, 545, 547-545; Oct 545, 547, 547-546; Dec 547, 549, 550-549; Jan 547, 550, 550-548; Mar 555, 556, 558-555; May 559, 560, 562-560. Sales: 106.

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 98.74p per kg lw (−2.32). GB—Sheep 168.67p per kg est dcw (+13.45). GB—Pigs 78.21p per kg lw (−4.33). GB—AAPP 109.09 per kg lw (−1.58).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 72.0 to 85.0; English hindquarters 86.0 to 92.0, forequarters 64.0 to 68.0. Veal—Dutch hinds and ends 123.5 to 127.5. Lamb—English small 66.0 to 74.0, medium 62.0 to 70.0, heavy 52.0 to 62.0. Scotch medium 61.0 to 64.0, heavy 58.0 to 61.0. Imported: New Zealand PL (new season) 69.5 to 70.5, PL (old season) 67.5 to 68.5, PX 65.5 to 66.0. Pork—English under 100 lb 52.5 to 58.0, 120-160 lb 44.0 to 52.0.

CURRRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound falls as dollar gains

The dollar gained ground on the foreign exchanges yesterday, closing at or around its highest levels of the day. It remained underpinned by faster than expected growth in the U.S. economy last year, following publication of fourth quarter gross national product on Tuesday. This tended to outweigh fears of heavy intervention by the European central banks to depress the value of the dollar.

In fairly subdued trading, lacking any new factors, the dollar improved and threatened to touch new peaks, while sterling fell to a record closing low against the dollar, on failure of any further sign of concerted action by the central banks to stem demand for the dollar.

The U.S. currency rose to DM 3.1795 from DM 3.1695; FFr 9.7225 from FFr 9.6950; SwFr 2.6815 from SwFr 2.67; and Y254.35 from Y253.85.

On Bank of England figures the dolar's index rose to 146.5 from 146.1.

STERLING — Trading range against the dollar in 1984-85 is 1.4940 to 1.1110. December average 1.1873. Exchange rate index fell 0.6 to its lowest closing low of 70.7, just above the all-time trading low of 70.6 touched on January 14. It opened at 71.0 and remained at that level until noon, when the rate fell to 70.9, and then declined to finish at the lowest level of the day.

The pound finished at a record closing low against the dollar, falling 1.40 cents to \$1.1100-1.110, after touching a trading low of \$1.1095-1.1105. Sterling also fell to DM 3.5350 from DM 3.5625; SwFr 2.98 from SwFr 3.00; FFr 10.80 from FFr 10.9025; and Y282.75 from Y285.50.

The pound was depressed in early trading by an unofficial report from Saudi Arabia that the Organisation of Petroleum Exporting Countries is about to cut its benchmark oil price by \$2½ from the present level of \$29. It also suffered from a general lack of central bank intervention yesterday, and a suggestion from a U.S. official that the Federal Reserve has not taken action so far to sell dollars.

D-MARK — Trading range against the dollar in 1984-85 is 3.1935 to 2.5535. December average 3.1021. Trade-weighted index 120.2 against 124.1 six months ago.

The D-mark lost ground to the dollar in fairly quiet foreign exchange trading. The Bundesbank did not intervene in the morning, but sold \$6-35m when the dollar was fixed at DM 3.1739 compared with DF 3.1650. There was further support for the U.S. currency at present levels by the latest figure on U.S. gross national product in the fourth quarter, coupled with a favourable inflation statistic for December. On the other hand it was feared the German central bank may have agreed with other central banks to keep the dollar below DM 3.1850, to put an effective upper limit on the appreciation of the U.S. unit. Month end technical factors pushed the D-mark to its lowest level for 12 months against the French franc. The franc was fixed at DM 32.685 per 100 francs compared with DM 32.665, and in Paris the D-mark fell to FFr 3.0590 from FFr 3.0616.

STERLING EXCHANGE RATE INDEX

(Bank of England)

	Jan 23	Previous
8.30 am	71.0	71.1
9.00 am	71.0	71.0
10.00 am	71.0	71.1
11.00 am	71.0	71.4
Noon	70.9	71.4
1.00 pm	70.8	71.3
2.00 pm	70.8	71.3
3.00 pm	70.8	71.3
4.00 pm	70.7	71.3

£ in New York

	January 23	Prev. close
£ Spot	\$1.1085-1092	\$1.1225-1.1235
1 month	0.43-0.41 pm	0.40-0.38pm
3 months	1.08-1.04 pm	0.96-0.93pm
12 months	2.45-2.30 pm	1.85-1.70pm

Forward premiums and discounts apply to the U.S. dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu January 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	44.4496	−1.00	+0.02	±1.5428
Danish Krone	8.14104	7.92253	−2.68	−1.66	±1.6421
German D-Mark	2.24184	2.22178	−0.89	+0.13	±1.1483
French Franc	6.87456	6.79659	−1.13	−0.11	±1.3689
Dutch Guilder	2.52595	2.50983	−0.64	+0.38	±1.5165
Irish Punt	0.72569	0.713988	−1.61	−0.59	±1.6671
Italian Lira	1403.49	1366.39	−2.64	−2.33	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST POUND

Jan 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1095-1.1215	1.1100-1.1110	0.43-0.40c pm	4.48	1.10-1.05pm	3.87
Canad	1.4735-1.4838	1.4735-1.4765	0.39-0.30c pm	2.81	1.07-0.94pm	2.72
Nethlnd.	3.98¾-4.02	3.98½-3.99½	2¼-2⅛c pm	6.77	6⅜-5⅞pm	5.95
Belgium	70.51-71.20	70.60-70.70	13-8c pm	1.78	29-21pm	1.41
Denmark	12.58¾-12.69¾	12.58½-12.59½	¼ore pm-¾ dis	−0.12	¾-1¼dis	−0.16
Ireland	1.1344-1.1442	1.1355-1.1365	0.16-0.32p dis	−2.53	0.44-0.74dis	−2.08
W. Ger.	3.52½-3.54	3.53-3.54	2⅛-1⅞pf pm	6.79	5½-5¼pm	6.08
Portugal	191.50-193.90	191.50-192.90	200-490c dis	−21.55	605-1455d	−21.44
Spain	195.05-196.80	195.10-195.45	par-30c dis	−0.92	30-85dis	−1.18
Italy	2165-2186¾	2169½-2170½	3-6lire dis	−2.49	14-18dis	−2.96
Norway	10.20½-10.28¾	10.21-10.22	¾ore pm-⅛ dis	−0.15	½-1¾dis	−0.34
France	10.77¾-10.88	10.79½-10.80½	2-1½c pm	1.86	3¾-2¾pm	1.13
Sweden	10.07-10.16¾	10.08-10.09	⅛-¼ore pm	0.37	2⅝-3⅛dis	−1.14
Japan	282¼-284½	282¼-283¼	1.54-1.45y pm	6.34	4.11-3.93pm	5.69
Austria	24.70-24.98	24.75-24.79	12⅝-11⅝gro pm	5.75	32¼-28¾pm	4.92
Switz.	2.97-2.99¾	2.97½-2.98½	1⅞-1⅝c pm	7.05	5-4⅞pm	6.63

Belgian rate is for convertible francs. Financial franc 70.75-70.85. Six-month forward dollar 1.83-1.78c pm. 12-month 2.55-2.40c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Jan 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1095-1.1215	1.1100-1.1110	0.43-0.40c pm	4.48	1.10-1.05pm	3.87
Ireland†	0.9780-0.9815	0.9780-0.9790	0.58-0.55c pm	6.91	1.53-1.45pm	6.08
Canad	1.3235-1.3262	1.3257-1.3262	0.16-0.19c dis	−1.59	0.36-0.41dis	−1.16
Nethlnd.	3.5745-3.5910	3.5885-3.5895	0.71-0.68c pm	2.33	2.07-2.04pm	2.29
Belgium	63.60-63.83	63.60-63.70	9-10c dis	−1.79	21-23dis	−1.39
Denmark	11.30½-11.33¾	11.32½-11.33	3-3½ore dis	−3.45	8¼-8¾dis	−3.00
W. Ger.	3.1690-3.1800	3.1790-3.1800	0.71-0.66pf pm	2.97	2.00-1.95pm	2.49
Portugal	172½-173¼	172¾-173¼	250-500c dis	−25.09	700-1450d	−24.93
Spain	175.20-175.68	175.60-175.65	67-75c dis	−4.85	190-205dis	−4.50
Italy	1947-1956	1951-1952	11½-12lire dis	−7.23	32-32½dis	−6.64
Norway	9.16¾-9.19¼	9.18¾-9.19¼	2.70-3.20ore dis	−3.86	8.40-8.90dis	−3.77
France	9.69¾-9.72½	9.72-9.72½	1.90-2.00c dis	−2.41	5.70-6.00dis	−2.41
Sweden	9.04½-9.11¼	9.07¼-9.07¾	3¾-4ore dis	−4.97	10-11 dis	−4.64
Japan	253.90-254.40	254.30-254.40	0.44-0.40y pm	1.98	1.23-1.18pm	1.90
Austria	22.25¾-22.31½	22.28-22.29	2.90-2.20gro pm	1.32	8¾-6¾pm	1.30
Switz.	2.6715-2.6825	2.6810-2.6820	0.60-0.54c pm	2.56	1.88-1.82pm	2.77

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 63.70-63.80.

OTHER CURRENCIES

Jan. 23	£	\$		£ Note Rates
Argentina Peso	231.09-231.83	207.29-207.42	Austria	24.85-25.15
Australia Dollar	1.3765-1.3785	1.2315-1.2325	Belgium	71.00-71.70
Brazil Cruzeiro	3,837.48-3,868.82	3,441-3,458	Denmark	12.63-12.75
Finland Markka	7.4090-7.4255	6.6440-6.6460	France	10.85-10.95
Greek Drachma	143.35-146.15	127.82-130.49	Germany	3.54-3.57
HongKong Dollar	8.6900-8.7000	7.7940-7.7970	Italy	2175-2210
Iran Rial	106.05*	94.20*	Japan	283-288
KuwaitDinar(KD)	0.34075-0.34125	0.30685-0.30815	Netherlands	4.00-4.03
Luxembourg Fr.	70.60-70.70	63.60-63.70	Norway	10.23-10.35
Malaysia Dollar	2.7675-2.7775	2.4825-2.4855	Portugal	189-201
New Zealand Dlr.	2.2780-2.2810	2.1310-2.1330	Spain	195-205¼
Saudi Arab Riyal	3.9870-3.9920	3.5810-3.5820	Sweden	10.11-10.21
Singapore Dollar	2.4630-2.4650	2.2000-2.2020	Switzerland	2.98¼-3.01¼
Sth African Rand	2.5575-2.5680	2.2960-2.3070	United States	1.11-1.13
U.A.E. Dirham	4.0685-4.0935	3.6720-3.6750	Yugoslavia	274-311

* Selling rate.

CURRENCY MOVEMENTS

Jan. 23	Bank of England Index	Morgan Guaranty Changes%
Sterling	70.7	−20.0
U.S. dollar	146.5	+32.4
Canadian dollar	90.8	−3.1
Austrian schilling	110.1	+3.6
Belgian franc	88.8	−10.0
Danish Kroner	76.7	−4.6
Deutsche mark	120.2	+6.2
Swiss franc	135.9	+7.3
Guilder	110.0	+3.1
French franc	65.6	−16.2
Lira	46.7	−13.5
Yen	154.5	+10.7

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Jan. 23	Bank rate %	Special Drawing Rights	Europ'n Currency Unit
Sterling	—	0.871231	0.626954
U.S. \$	8	0.974385	0.699994
Canadian \$	9.72	*	0.926732
Austria Sch	4½	21.7122	15.5994
Belgian Fr	11	61.8954	44.4496
Danish Kr.	7	11.0267	7.92253
Dmark	4½	3.09260	2.22178
Guilder	5	3.49366	2.50983
French Fr.	9½	9.46177	6.79659
Lira	15½	N/A	1366.39
Yen	5	247.737	177.798
Norway Kr.	8	8.93998	6.42489
Span'h Pta	[illegible]	170.988	122.863
Swedish Kr.	9	8.82890	6.34405
Swiss Fr	4	2.60551	1.87213
Greek Dr'ch	20½	N/A	90.6632
Irish Punt	12¾	N/A	0.713988

*C\$/SDR rate for January 18: 1.28332.

EXCHANGE CROSS RATES

Jan. 23	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.111	3.535	282.8	10.80	2.980	3.990	2170.	1.475	70.66
U.S. Dollar	0.900	1.	3.180	254.4	9.725	2.682	3.589	1952.	1.328	63.65
Deutschem'rk	0.283	0.314	1.	79.99	3.055	0.843	1.129	613.9	0.417	19.99
Japanese Yen 1,000	3.537	3.927	12.50	1000.	38.20	10.54	14.11	7675.	5.217	249.9
French Franc 10	0.926	1.028	3.273	261.8	10.	2.759	3.694	2009.	1.366	65.42
Swiss Franc	0.336	0.373	1.186	94.88	3.624	1.	1.339	728.2	0.495	23.71
Dutch Guilder	0.251	0.278	0.886	70.86	2.707	0.747	1.	543.9	0.370	17.71
Italian Lira 1,000	0.461	0.512	1.629	130.3	4.977	1.373	1.839	1000.	0.680	32.56
Canadian Dollar	0.678	0.753	2.397	191.7	7.322	2.020	2.705	1471	1.	47.90
Belgian Franc 100	1.415	1.572	5.004	400.2	15.29	4.218	5.648	3071.	2.088	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	12¼-12½	8⅝-8¾	9¼-9½	5⅝-5¾	1⅞-2	5⅛-5¼	10¼-10⅝	13½-14½	10½-11	10⅝-10⅞	6⅛-6¼	9¼-9¾
7 days' notice	12⅝-12⅞	8 11/16-8 13/16	9¼-9½	5⅝-5¾	14½-14¾	5 5/16-5 7/16	10¼-10⅝	14-15	10½-11	10⅝-10⅞	6 3/16-6 5/16	12¼-12¾
Month	12 5/16-12 7/16	8 11/16-8 13/16	9 1/16-9⅜	5¾-5⅞	5½-5⅝	5 7/16-5 9/16	10⅜-10⅞	14⅞-15⅜	10½-11	10⅝-10⅞	6¼-6⅜	11⅞-12⅜
Three months	12 9/16-12 11/16	8¾-8⅞	9 3/16-9⅜	5 11/16-5 13/16	5⅜-5½	5 7/16-5 9/16	10¾-10⅞	14⅞-15⅜	10½-11	10⅝-10⅞	6⅜-6½	11¾-12¼
Six months	11 15/16-12 1/16	8⅝-8¾	9 5/16-9½	5 13/16-5 15/16	5 5/16-5 7/16	5 13/16-5 15/16	11 1/16-11 7/16	14½-14⅞	10½-11	10⅝-10⅞	6¼-6⅜	11½-12
One year	11 13/16-11 15/16	9 1/16-9 3/16	10-10 3/16	6 1/16-6 3/16	5 7/16-5 9/16	5 15/16-6 1/16	11 5/16-11 11/16	14⅞-15⅜	10½-11	10⅝-10⅞	6¼-6⅜	11½-12

Asian \$ (closing rates in Singapore): Short-term 8 11/16-8 13/16 per cent; seven days 8 11/16-8 13/16 per cent; one month 8 11/16-8 13/16 per cent; three months 8¾-8⅞ per cent; six months 8⅞-9 per cent; one year 9 3/16-9 5/16 per cent. Long-term Eurodollars: two years 10½-10⅝ per cent; three years 10⅞-11⅛ per cent; four years 11¼-11⅜ per cent; five years 11½-11¾ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Gilts lower

Gilts prices fell sharply in the London International Financial Futures Exchange yesterday as sterling fell to a record closing low against the dollar. Early trading had been relatively quiet as the pound held steady just below \$1.1200. However there was little impetus gained from a stronger U.S. bond market and when sterling started to lose ground in the afternoon, gilt prices fell sharply. The March contract opened at 104-28 down from 104-31 and fell to close at 104-05.

Three-month sterling reacted in much the same way with values marked down as cash prices rose on sterling's weakness. The March price fell from an opening level of 88.60 to close at 88.39, down from 88.71 on Tuesday.

Euro-dollar prices were higher, boosted by encouraging inflation figures. December's U.S. consumer price index rose by 0.2 per cent, in line with market expectations and showed a continuation of the modest rise in the rate of inflation.

U.S. Treasury bonds received similar encouragement to find higher levels but the March price finished below the day's best as profit taking developed in the last half hour.

FT-SE prices fell in line with a softer equity market. The weaker trend reflected some initial profit taking with losses accelerated by sterling's decline later in the day.

LONDON

THREE-MONTH EURODOLLAR
\$1m points of 100%

	Close	High	Low	Prev
March	91.27	91.31	91.26	90.98
June	90.69	90.75	90.66	90.30
Sept	90.14	90.20	90.10	89.76
Dec	89.67	89.74	89.65	89.31
March	89.28	89.29	89.26	88.94

Estimated volume 6,307 (6,222)
Previous day's open int 12,131 (12,122)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev
March	88.39	88.69	88.39	88.59
June	88.95	89.01	88.85	88.66
Sept	89.04	89.15	89.04	88.86
Dec	89.06	89.15	89.06	88.82
March	89.00	89.08	89.00	88.79

Estimated volume 1,801 (1,814)
Previous day's open int 5,553 (5,868)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
March	104-05	105-02	104-04	104-09
June	104-00	104-03	104-00	104-02
Sept	107-11	—	—	107-13
Dec	107-01	—	—	107-03
March	106-23	—	—	106-25

Estimated volume 3,748 (5,064)
Previous day's open int 5,581 (5,383)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) −2 to 8 (32nds)

STERLING £25,000 \$ per £

	Close	High	Low	Prev
March	1.1065	1.1160	1.1065	1.1145
June	1.0990	1.1070	1.0990	1.1085
Sept	1.0940	1.1030	1.0940	1.1055

Estimated volume 438 (62)
Previous day's open int 4,047 (3,680)

DEUTSCHE MARKS
DM 125,000 \$ per DM

	Close	High	Low	Prev
March	0.3157	—	—	0.3165

Estimated volume nil (59)
Previous day's open int 181 (206)

SWISS FRANCS
SwFr 125,000 \$ per SwFr

	Close	High	Low	Prev
March	0.3744	—	—	0.3761

Estimated volume nil (nil)
Previous day's open int 111 (113)

JAPANESE YEN Y12.5m \$ per Y100

	Close	High	Low	Prev
March	0.3943	—	—	0.3940

Estimated volume nil (1)
Previous day's open int 118 (117)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
March	125.85	129.40	125.30	126.00
June	129.15	129.15	125.00	126.30
Sept	125.25	—	—	126.80

Estimated volume 531 (792)
Previous day's open int 935 (931)

U.S. TREASURY BONDS
8% \$100,000 32nds of 100%

	Close	High	Low	Prev
March	72-15	72-21	72-10	71-03
June	71-19	—	—	70-09

Estimated volume 2,549 (3,038)
Previous day's open int 2,084 (1,669)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% \$100,000 32nds of 100%

	Latest	High	Low	Prev
March	72-17	72-23	72-11	72-07
June	71-20	71-28	71-16	71-11
Sept	70-28	71-03	70-24	70-19
Dec	70-08	70-15	70-05	69-31
March	69-23	69-28	69-19	69-13
June	—	—	—	68-29
Sept	—	68-27	68-26	68-16
Dec	68-16	68-17	68-16	68-04
March	—	—	—	67-25
June	—	—	—	67-15

U.S. TREASURY BILLS (IMM)
\$1m points of 100%

	Latest	High	Low	Prev
March	92.15	92.17	92.13	92.12
June	91.67	91.70	91.66	91.64
Sept	91.16	91.18	91.16	91.11
Dec	90.78	90.78	90.76	90.68
March	90.43	90.43	90.40	90.34
June	90.13	90.13	90.13	90.06
Sept	89.86	89.86	—	89.79
Dec	89.60	89.60	—	89.54

CERT DEPOSIT (IMM)
\$1m points of 100%

	Latest	High	Low	Prev
March	91.59	91.63	91.58	91.56
June	91.02	91.06	90.96	90.94
Sept	90.46	90.51	90.46	90.38
Dec	89.99	90.00	89.99	89.91

THREE-MONTH EURODOLLAR (IMM)

	Latest	High	Low	Prev
March	91.25	91.30	91.25	91.22
June	90.69	90.71	90.66	90.61
Sept	90.12	90.15	90.09	90.03
Dec	89.64	89.67	89.62	89.56
March	89.26	89.27	89.24	89.15
June	88.92	88.93	88.85	88.81
Sept	88.61	88.63	88.59	88.51

STERLING (IMM) \$s per £

	Latest	High	Low	Prev
March	1.1085	1.1110	1.1070	1.1175
June	1.1010	1.1055	1.1010	1.1110
Sept	1.0990	1.0990	1.0980	1.1080
Dec	1.0970	1.0980	1.0970	1.1065

GNMA (CBT)
8% \$100,000 32nds of 100%

	Latest	High	Low	Prev
March	69-30	70-02	69-28	69-28
June	69-07	69-07	69-07	69-04
Sept	—	—	—	68-16
Dec	—	—	—	67-30
March	—	—	—	—
June	—	—	—	66-31
Sept	—	—	—	66-19

Company Notices

NOTICE OF REDEMPTION

ROYAL TRUSTCO LIMITED

(Incorporated under the laws of Canada)

£12,000,000
14% DEBENTURES DUE 1986

NOTICE IS HEREBY GIVEN THAT Royal Trustco Limited will redeem on March 1, 1985 all the 14% Debentures due 1986 at a price of 100½% of the principal amount together with interest on such principal amount accrued and unpaid to the said date of redemption.

The redemption price on the said Debentures shall be payable on presentation and surrender thereof with all unmatured coupons at any one of the following paying agencies:—

Bank of Montreal,
9 Queen Victoria Street,
London, EC4N 4XN, England.

Banque Internationale a Luxembourg, S.A.,
2 Boulevard Royale,
P.O. Box 2205,
Luxembourg.

Morgan Guaranty Trust Company of New York,
Avenue des Arts 35,
1040 Brussels, Belgium.

NOTICE IS ALSO HEREBY GIVEN THAT all interest on the Debentures shall cease to be payable from and after the redemption date.

Dated: January 24th, 1985

ROYAL TRUSTCO LIMITED

MONEY MARKETS

UK rates up on weaker pound

Interest rates rose in London yesterday as the market reacted to sterling's weaker trend. Three-month interbank money finished at 12 9/16-12 11/16 per cent, up from 11 15/16-12 1/16 per cent on Tuesday while three-month eligible bank bills were bid at 11 13/16-11¾ per cent compared with 11⅝-11 19/32 per cent.

Worries over lower oil prices accelerated sterling's initial fall and domestic interest rates were marked up accordingly.

The Bank of England forecast a shortage of around £350m in the money market. This was later revised to a shortage of around £300m and then back to £350m. Total assistance amounted to £390m. Factors affecting the market included maturing assistance and a take up of Treasury bills together draining £178m and Exchequer transactions a further £15m. In addition there was a rise in the note circulation of £65m and banks brought forward balances £100m below target.

UK clearing banks' base lending rate 12 per cent since January 14.

Assistance in the morning came to £56m and comprised purchases of £3m of eligible bank bills in band 1 (up to 14 days) at 11⅞ per cent and £2m in band 2 (15-33 days) at 11¾ per cent. In band 3 (34-63 days) it bought £2m of eligible bank bills at 11⅝ per cent and in band 4 (64-91 days) £49m at 11½ per cent. In the afternoon the Bank gave further help of £169m through purchases of £32m of eligible bank bills in band 1 at 11⅞ per cent and £36m in band 2 at 11¾ per cent. In band 4 it bought £1m of local authority bills and £100m of eligible bank bills all at 11½ per cent. It also provided late help of £165m.

In New York early trading pushed yields on Government securities lower following renewed demand for stock. This was a reflection of Tuesday's encouraging fourth quarter GNP price deflator which showed a 2.4 per cent rise revised downwards from 2.9 per cent and yesterday's 0.2 per cent rise in the U.S. consumer price index for December, suggesting that inflation is still well under control. A higher Federal funds rate of 8⅝ per cent restricted the extent of the rally, however.

MONEY RATES

Jan. 23	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.40-5.50	10⅛	2⅞-3⅛	5 7/16-5⅝	6.21875	15⅝-16	9.50	14¾-15
One month	5.70-5.85	10⅜-10⅛	5 5/16-5 7/16	5 11/16-5 13/16	6.41875	15⅝-16	10⅝-10⅞	14¾-15
Two months	5.65-5.80	10⅜-10½	—	—	—	—	—	14⅝-14⅞
Three months	5.75-5.90	10⅜-10⅛	5⅜-5½	5 11/16-5⅞	6.34375	15¾-16⅛	10⅝-10⅞	14⅝-14⅞
Six months	5.80-5.95	10 7/16-10 9/16	—	5 13/16-5 15/16	—	—	10⅝-10⅞	14¼-14½
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	10⅛	—	5¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Jan. 23 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	12-14	12¼	11-12½	10-12¼	—	—	—	—	—
2 days notice	—	—	12-12¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	12⅛-12⅝	12-12¼	12½-12⅝	12	—	—	—	—	—
One month	12⅜-12¼	12¼-12⅜	12¼	12½-12⅝	12	11 15/32	11 17/32	11 27/32-11 25/32	11 27/32	12⅛
Two months	12¼-12⅛	12⅛-12⅝	12⅛	12⅜	11¾	11 21/32	11⅝	11¾	11⅝	12⅜
Three months	12 7/16-12	12-12⅜	12	12¼	11½	11 17/32	11⅝	11 13/16-11⅝	11 13/16-11½	12 3/16
Six months	11⅝-11½	11 15/16-12 1/16	11⅞	—	—	—	—	11 5/16-11¼	11-11 3/16	11⅞
Nine months	11 9/16-11½	11⅝-11⅞	—	—	—	—	—	—	—	—
One year	11 9/16-11½	11⅞-11¾	11¾	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	12¾-12¼	—	12⅜	8.0-8.1	7⅞-8⅛	9 3/16-9¾
Two months	12⅝-12¼	—	12¼	8.1-8.2	7 15/16-8 1/16	9 5/16-9¾
Three months	12½-12⅛	—	12¼	8.15-8.25	8-8¼	9 5/16-9¾
Six months	12-11⅝	—	12	8.45-8.55	8¼-8½	9 7/16-9¾
Nine months	12-11⅝	—	11¾	8.8-9.0	—	—
One year	12-11⅝	—	11¾	9.3-9.5	8 11/16-8 13/16	9 7/16-9¾
Two years	—	11⅝	—	—	—	—
Three years	—	11⅝	—	—	—	—
Four years	—	11½	—	—	—	—
Five years	—	11½	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of interest period December 1984 to January 1 1985 (inclusive): 9.913 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10 per cent from January 1 1985. London and Scottish Clearing Bank Rates for lending 12 per cent. London Deposit Rates for sums at seven days' notice 9 per cent. Treasury Bills: Average tender rates of discount 11.4022 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 11¾ per cent; one-three months 12 per cent; three-six months 11¾ per cent; six-nine months 11¾ per cent; nine-12 months 11¾ per cent. Under £100,000 11 per cent from January 15. Deposits held under Series 8 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. January 23)
3 months U.S. dollars

bid 8 1/4	offer 8 3/8

6 months U.S. dollars

bid 8 9/16	offer 8 11/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for \$10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	9-10¼
Fed funds	8⅝
Fed funds at intervention	—

Treasury Bills

One month	7.40
Two month	7.50
Three month	7.63
Six month	7.89
One year	8.22

Treasury Bonds

Two year	100 9/32
Three year	101 15/32
Four year	100 11/32
Five year	100 27/32
Seven year	102 5/16
10 year	102 15/32
30 year	103 15/32

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for January 23.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 12⅝ 88	150	103½	104	+0⅛	+0⅝	11.20
Austria Rep 13⅝ 92	100	110⅝	111⅛	+0⅝	+1	11.35
Bank Of Tokyo 12⅝ 92	100	100⅝	101⅛	+0½	+1	12.43
Bank of Tokyo 13⅝ 91	100	107⅝	107⅞	+0⅝	+0⅞	11.82
Caisse Nat Tels 13¾ 91	100	108¼	108¾	+0½	+0¾	11.75
Canadian Pac 12½ 99	75	103¼	103¾	+0⅛	+0⅛	11.96
Chevron U.S.A. 12¼ 89	600	102⅛	102⅝	+0⅝	+1	11.53
Creditanstalt 13⅛ 91	100	104	104½	+0½	+0⅝	12.09
Denmark Kingdom 13 91	100	105	105½	+0⅝	+1⅛	11.74
Denmark Kingdom 13⅞ 91	100	105⅛	105⅝	+0¾	+0⅝	12.00
Denmark 13⅞ 88 XW	100	106⅝	107⅛	+0½	+1	11.36
Denmark Kingdom 14 91	100	107	107½	+0½	+1	12.27
Weyerhaeuser 12¾ 87	150	102½	102⅞	+0⅝	+0⅝	11.14
World Bank 12¼ 94	150	103⅛	103⅝	+0½	+1⅛	11.64
World Bank 12⅞ 94	200	105⅞	106⅜	+0¾	+1½	11.75
Yasuda Tst&Fin 12⅝ 89	100	101½	102	+0⅝	+0¾	11.79

Average price change On day +0⅝ on week +0¾

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Allied Chemical 7½ 94	125	*101⅝	102⅜	0	0	7.19
Amca Int'l 8⅛ 91	100	102¼	103	−0⅛	−1⅛	7.74
Asian Dev Bank 8 94	200	102⅞	103⅛	−0⅝	−0¼	7.58
Austria, Republic 7⅝ 94	200	101	101¾	−0⅝	−1	7.41
Baxter Travenol 7⅛ 94	200	100½	101¼	+0¾	+0⅛	7.11
Credit National 8⅛ 94	200	102¾	103½	−0¼	−0⅝	7.63

[illegible]

CONVERTIBLE BONDS (continued)	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Minebea Co Ltd 5½ 98	5/83	867	93⅝	94⅝	−0½	1.15
Mitsubishi Elec 5⅛ 98	6/83	396	96¾	97¾	−0⅝	1.23
Murata 3½ 89	2/84	2351.2	112	113	−1⅝	−1.14
Murata 3½ 2000	7/84	2398	109¼	110¼	−1⅝	−8.92
Nippon Elec 2⅞ 2000	1/85	1285	98⅝	97⅝	−0½	−7.06
Nippon Oil Co 3¼ 99	3/84	1852	79¾	80¾	0	5.98
Nissan Motor 5⅛ 98	4/83	700	91¾	92¾	−0⅛	12.21
Oki Elec Ind 3½ 99	10/84	805	87½	88½	−1¼	4.59
Orient Leasing 5¼ 98	6/83	2600	116¾	118	+0⅛	−0.27
Sekisui House 3 99	8/84	812	83¾	84¾	+0⅛	8.78
Sumitomo Corp 2⅞ 99	5/84	593	92⅞	93⅞	0	8.64
Takeda Riken 3⅛ 2000	10/84	7683	90½	92	+0⅛	13.50
Tokyo Sanyo Elec 3½ 99	12/84	772	94¼	95¼	−0⅝	4.86
Yamanouchi Pharm'cal 4 98	10/83	1483.2	174¾	178	+3¼	0.84
Nippon Oil Co 2⅛ 92 SF	3/84	1852	†106	108¼	+0⅝	14.43
Nippon Shinpan Co 2 92 SF	3/84	881	†98	96½	−0⅝	18.78
Settsu Paper 2¼ 92 SF	4/84	677	*†158	161	−0½	−3.76
Asics 5 92 DM	12/83	520	103⅝	104⅝	0	23.53
Sum Realty 6¼ 92 DM	2/83	385	180⅝	181⅝	−3⅝	−6.81

* No information available-previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

OVER-THE-COUNTER

Continued from Page 40

Stock		Sales (Hnds)	High	Low	Last	Chng
KLA s		236	20¼	20	20¼	
KMW Sy		5	9⅝	9⅝	9⅝	−⅛
KV Phr		3	5½	5½	5½	+½
Kaman	56	162	27¼	26¾	26¾	−½
Karchr		1190	16⅛	15⅛	16⅛	+1⅛
Kasler	60t	37	14	13¾	13¾	
Kaydon		22	7⅞	7⅞	7⅞	−⅛
KeyJn		822	1⅝	1½	1⅝	
Kemp	1 80	251	45½	44⅞	45½	+¼
KyCnLf	.80	44	37¼	37	37	−¼
Kevex		5	6⅛	5⅛	5⅛	−⅛
KeyTrn		300	10½	10¼	10¼	−⅛
KeyCam		18	6	5½	6	

[illegible]

Stock		Sales (Hnds)	High	Low	Last	Chng
Skipper	06	53	12	11⅝	12	
SloanTc		653	8½	6¾	7⅛	+⅛
SmithL		29	3⅝	3½	3⅝	

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EUROBONDS

EIB offering finds favour in France

BY MAGGIE URRY IN LONDON

THE EUROPEAN Investment Bank has discovered a strong appetite among French investors, starved of foreign currency bonds, for its European Currency Unit issue. The Ecu 200m deal is the first French investors have been allowed to buy without going through the currency premium.

The bonds, which will be quoted on the Paris bourse, were trading around 103¼ yesterday afternoon, even though the coupon on the 10-year issue is the lowest yet seen in the sector, at 9¼ per cent. Issue price is par and fees total 2 per cent.

The deal was led by Banque Nationale de Paris, with a syndicate strongly biased towards French banks.

The Eurodollar bond market again drew strength from the firmer New York bond market, though as usual Europe lagged behind. Prices yesterday gained around ¾ point on average, though some bonds were moved up by more. Dealers said that there was little retail demand, however.

As yet the improvement has not caused a flood of new issues, although there are plenty rumoured.

Late in the day Commerzbank launched a $75m deal for the South African Electricity Supply Commission, which is guaranteed by the government. The coupon for the six-year issue was set at 12¼ per cent and issue price at par.

Credit Suisse First Boston found that a 12½ per cent coupon on a seven-year issue for Arizona Public Service, the electricity supply company, created enough demand to increase the issue from $60m to $75m. The trading level held around the 1¼ per cent selling concession even so.

Salomon Brothers is launching a $150m Yankee bond issue for Export Development Corporation of Canada. The issue has a five year life and a 10¾ per cent coupon. The price was set at 99.575 to give a yield only 12 basis points above U.S. Treasury securities.

The World Bank launched a Y50bn Samurai bond, led by Nikko Securities. This has a 15-year maturity but a 12.3 year average life, a length only allowed for the World Bank. The coupon was set at 6.7 per cent and issue price at 99¾.

BNP Bank bond average		
Jan 23		Previous
102.259		102.532
High	1984/85	Low
103.042		98.056

The Swiss franc foreign bond market was again alive with new issues. The Asian Development Bank launched its two-tranche deal under the management of Swiss Bank Corporation. The first portion raises SwFr 100m with a 12 year life and indicated yield of 5⅞ per cent. The other SwFr 50m tranche is of floating rate notes with a 15 year maturity. The interest rate will be fixed every six months at ⅛ per cent over the London interbank offered rate for Swiss franc deposits. The minimum coupon will be 3½ per cent and maximum 8½ per cent.

Santos Finance is making a SwFr 130m public issue led by Handelsbank. The bonds will have a 10-year life and the indicated yield is 5⅞ per cent.

A third public issue for ITT Financial was launched, raising SwFr 100m. SBC is again lead manager. The bonds have a 10-year life, and the coupon was fixed at 5⅞ per cent with a par issue price.

Bank Julius Baer indicated a 2 per cent coupon for the Pasco SwFr 50m private placement, which will be convertible into shares.

Banca della Svizzera Italiana cut the coupon for the SwFr 20m private placement for Yuken Kogyo from 3⅞ per cent to 3½ per cent. The bonds come with equity warrants which buy into the shares at Y359, compared with a closing stock market price of Y354.

Swiss franc bonds were unchanged on average in quiet trading.

In the D-Mark bond market secondary market prices fell by around ½ point, following the domestic market down. Traders fear that the next Federal Government issue may be large, and with a coupon set at 7¼ per cent compared with the 7 per cent offered in December.

In the Euroguilder bond market, Lease Plan, the Dutch leasing group, launched a Fl 30m issue led by Bank Mees & Hope. The five-year issue has a 7¼ per cent coupon and 99½ issue price.

Volvo seeks flexibility with new loan facility

BY PETER MONTAGNON IN LONDON

VOLVO, the Swedish motor manufacturer, has launched a novel loan facility in the Euromarkets designed to increase its flexibility in tapping both the U.S. commercial paper and the short-term Euronote market.

Led by Bank of America, the package comprises both a $150m five-year standby credit and a $150m Euronote placement facility. It will replace a $75m Euronote facility arranged for Volvo by Merrill Lynch as recently as 1983, as well as back-up commercial paper issues.

Described officially as a "borrower's option for notes and underwritten standby" or Bonus, the deal's structure is seen in the market as a response to two current trends.

First, a number of borrowers are now anxious to renegotiate or replace existing Euronote facilities as competition for business drives terms lower. Second, banks which participate in Euronote facilities want to ensure a reasonable return on assets if they are ever called on to exercise their back-up responsibility as lenders.

Notes sold under the facility will bear a basic return of the London interbank offered rate (Libor) for Eurodollar deposits whereas Volvo had to pay a margin of ⅛ per cent on the notes sold under its Merrill Lynch facility.

Only half the standby credit can, however, be used to back up the notes. It bears a margin of 1/16 per cent over Libor, with an additional utilisation fee coming into play if more than one-third of the total is drawn. Added to the facility fee for the whole package of 1/16 per cent, this could mean banks receiving a return of up to ⅛ per cent over Libor depending on the level of drawings.

But Volvo can also use the standby credit as a back-up for commercial paper issues in the U.S. Very short-term drawings for this purpose will bear interest at the Bank of America reference or prime rate.

Like the recent $1bn facility for Nestlé, the whole package increases Volvo's flexibility in tapping either the commercial paper or Euronote market, although Bank of America argues that the terms make such switching even easier for Volvo than for Nestlé.

Algerian loan increased

BY FRANCIS GHILÈS IN LONDON

THE $500m loan which is being raised for the Crédit Populaire d'Algérie and the Banque Nationale d'Algérie by a group of banks co-ordinated by Arab Banking Corporation has been raised to $600m prior to its signing in Paris today.

The borrowers had requested an increase of $200m on the initial amount but the managers of the loan indicated to the borrower that the terms were too fine – ½ per cent over London Interbank Offered Rate (Libor) for the first five years and ⅝ per cent over Libor for the last five – to warrant such a large increase at the last moment.

This loan carries the finest terms ever offered on a large Eurocredit for Algeria and is expected to meet the country's foreign currency requirements until the launch in the spring of its second five-year-development plan (1985-1989).

Indices

NEW YORK - DOW JONES

	Jan 23	Jan 22	Jan 21	Jan 18	Jan 17	Jan 16	1984-85 High	1984-85 Low	Since Compilation High	Since Compilation Low
Industrials	1,298.71*	1,259.50	1,261.37	1,227.38	1,228.89	1,230.68	1286.64 (6/1/84)	1088.57 (24/7)	1287.79 (19/11/83)	41.22 (2/7/32)
Transport	597.87*	594.11	593.22	577.72	584.70	595.22	612.63 (9/1/84)	444.03 (25/7)	612.63 (9/1/94)	12.32 (8/7/32)
Utilities	148.34*	147.83	147.77	147.57	148.24	148.59	149.93 (18/12)	122.25 (15/6)	163.72 (20/4/69)	10.5 (28/4/42)
Trading vol		174m	146m	104m	113m	135m	–	–	–	–

	Jan 18	Jan 11	Jan 4	Year Ago (Approx)
Ind Div Yield %	4.91	4.94	5.08	4.33

STANDARD AND POORS

	Jan 23	Jan 22	Jan 21	Jan 18	Jan 17	Jan 16	1984-85 High	1984-85 Low	Since Compilation High	Since Compilation Low
Industrials	197.82*	196.55	196.13	191.25	190.54	191.81	196.13 (21/1/85)	187.74 (24/7)	196.13 (21/1/85)	3.62 (30/6/32)
Composite	175.90*	175.48	175.23	171.32	170.73	171.19	175.23 (21/1/85)	147.82 (24/7)	175.23 (21/1/85)	4.40 (1/6/32)

	Jan 9	Jan 2	Dec 26	Year Ago (Approx)
Ind div yield %	4.15	4.14	4.11	3.68
Ind. P/E Ratio	10.31	10.32	10.42	13.74
Long Gov Bond Yield	11.48	11.65	11.38	11.86

N.Y.S.E. ALL COMMON

Jan 23	Jan 22	Jan 21	Jan 18	1984-85 High	1984-85 Low
101.53*	101.28	101.12	99.04	101.12 (21/1/85)	85.13 (24/7)

RISES AND FALLS

	Jan 22	Jan 21	Jan 18
Issues traded	2,047	2,006	2,004
Rises	934	1,324	964
Falls	681	374	589
Unchanged	432	308	451

New York Active Stocks

	Stocks Traded	3.00p.m. Price	Change on Day		Stocks Traded	3.00p.m. Price	Change on Day
Hewlt-Pack	2,429,600	34	unch	AM Express	1,438,800	39⅞	+ ⅞
Southern	2,113,600	18¾	− 1⅛	US Air Gr	967,700	36⅝	+ ½
Phil Pete	2,094,100	47⅝	− ⅛	Baxter Lab	945,500	13⅝	unch
IBM	1,527,500	130⅝	+ 1¼	Exxon	881,900	47⅞	− ⅛
ATT	1,464,100	21⅜	+ ⅜	Citicorp	870,800	43⅞	+ ⅜

Advances 990 Declines 572

TORONTO

	Jan 23	Jan 22	Jan 21	Jan 18	1984-85 High	1984-85 Low
Metals & Minls	2,094.4*	2,083.1	2,061.65	1,981.8	2524.4 (12/1)	1641.2 (25/7)
Composite	2,487.2*	2,481.8	2,464.45	2,418.6	2585.7 (6/1)	2079.7 (24/7)
MONTREAL Portfolio	125.81*	124.48	121.70	121.49	126.83 (10/1)	100.38 (24/7)

* Indicates pre-close figure

	Jan. 23	Jan. 22	Jan. 21	Jan. 18	1984-85 High	1984-85 Low
AUSTRALIA All ord. (1/1/80)	756.5	756.5	750.7	746.4	787.9 (9/1/84)	546.8 (16/6)
Metals & Minls. (1/1/80)	442.9	441.4	452.8	427.5	567.4 (5/1/84)	395.6 (7/1/85)
AUSTRIA Credit Aktien (2/1/62)	58.40	58.22	58.35	58.26	59.87 (28/12)	58.20 (15/8)
BELGIUM Brussels SE (1/1/80)	2121.28	2118.29	2096.52	2090.7	–	–
DENMARK Copenhagen SE (3/1/83)	166.18	165.46	162.79	163.09	225.21 (20/1/84)	158.44 (8/1/85)
FRANCE CAC General (31/12/82)	193.2	191.8	190.6	190.1	193.2 (23/1/85)	155.6 (5/1/84)
Ind Tendance (28/12/84)	105.4	104.7	104.1	103.9	105.6 (18/1/85)	100.0 (28/12/84)
GERMANY FAZ Aktien (31/12/58)	399.82	402.66	402.51	402.75	402.75 (18/1/85)	317.17 (25/7)
Commerzbank (1/12/53)	1150.6	1171.7	1169.4	1167.9	1171.7 (22/1/85)	917.7 (25/7)
HONG KONG Hang Seng Bank (31/7/64)	1357.84	1373.82	1350.60	1360.35	1388.42 (17/1/85)	746.02 (13/7)
ITALY Banca Comm Ital. (1972)	255.84	256.67	255.74	255.40	256.67 (22/1/85)	192.06 (2/1/84)
JAPAN** Nikkei-Dow (16/5/49)	11859.01	11860.1	11964.5	11910.06	11964.5 (21/1/85)	9703.35 (23/7)
Tokyo SE New (4/1/68)	928.21	931.67	935.57	932.65	935.77 (16/1/85)	758.4 (4/1/84)
NETHERLANDS ANP-CBS General (1970)	196.0	195.5	192.0	190.4	196.0 (23/1/85)	146.8 (25/7)
ANP-CBS Indust (1970)	157.7	157.1	154.8	153.6	157.7 (23/1/85)	118.7 (18/6)
NORWAY Oslo SE (4/1/83)	322.45	319.95	314.20	311.07	322.45 (23/1/85)	221.67 (4/1/84)
SINGAPORE Straits Times (1966)	765.46	770.58	768.71	771.01	1071.9 (8/2)	764.4 (16/1/85)
SOUTH AFRICA Gold (1958)	(u)	1025.7	(u)	1045.5	1099.0 (19/11)	758.1 (24/1/84)
Industrial (1958)	(u)	906.1	(u)	902.6	1105.5 (26/3)	853.5 (19/9)
SPAIN Madrid SE (28/12/84)	109.52	109.14	110.27	110.22	110.27 (21/1/85)	100.00 (28/12/84)
SWEDEN Jacobson & P (1/1/58)	1418.75	1428.85	1438.98	1446.74	1594.5 (3/2)	1302.99 (22/11)
SWITZERLAND Swiss BankCpn. (31/12/58)	407.0	407.1	404.4	406.4	407.1 (22/1/85)	354.5 (25/7)
WORLD Capital Intl. (1/1/70)	–	194.1	193.6	190.5	194.1 (22/1/85)	183.2 (14/1)

** Saturday January 19: Japan Nikkei-Dow 11,952.1. TSE 934.01.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Exclusive bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. (u) Unavailable.